FOREIGN
BROADCAST
INFORMATION
SERVICE

Daily Report

Central Eurasia

FBIS-SOV-94-235
Wednesday
7 December 1994

Daily Report
Central Eurasia

FBIS-SOV-94-235 CONTENTS *7 December 1994*

INTERREGIONAL AFFAIRS

- Text of Defense Ministers' Statement on Grachev, Media *[KRASNAYA ZVEZDA 3 Dec]* 1
- ITAR-TASS Carries Press Review for 7 Dec 1

RUSSIA INTERNATIONAL AFFAIRS

- Foreign Ministry Official on Peace Treaty With Japan *[ITAR-TASS]* 2
- Iraq's 'Aziz on Impromptu Visit to Moscow *[NTV]* 2
  - 'Aziz Meets With Kozyrev *[INTERFAX]* 2
- Rybkin Meets British Foreign Affairs Minister *[ITAR-TASS]* 3
- UNSC Draft on B-H Sanctions Said 'Inadequate' *[ITAR-TASS]* 3
- Foreign Ministry Official on Russian CSCE Program *[ITAR-TASS]* 3
- CSCE Summit Statement on Bosnia Rejected *[ITAR-TASS]* 4
- Weapons Delivery to Bosnia Denied *[ITAR-TASS]* 4
- 'Paradoxes' of Russian Bosnia Policy Viewed *[SOVETSKAYA ROSSIYA 6 Dec]* 4
- Details of Border Dispute With Lithuania Presented *[STRAZH BALTIKI 17 Nov]* 6
- Turkmen Opposition Figures Detained by FCS *[Russian TV]* 6
- Moscow Ready To Support Cossacks in Kazakhstan *[ITAR-TASS]* 7
- More CSCE Involvement in Local Peace-Keeping Favored *[INTERFAX]* 7
- Yeltsin Interviewed in Budapest *[Moscow TV]* 8
- Yeltsin Made 'Great Impression' on CSCE *[KRASNAYA ZVEZDA 6 Dec]* 9
- Army Paper Upbeat in Assessment of Budapest Summit *[KRASNAYA ZVEZDA 7 Dec]* 10
- Yeltsin: Clinton Not Completely Triumphant at CSCE *[Moscow TV]* 11
- U.S. Figures Comment on Yeltsin's CSCE Stand *[ITAR-TASS]* 12
- Clinton Could Sacrifice 'Main Political Asset' at Home *[IZVESTIYA 7 Dec]* 12
- U.S. Strengthening Business Ties with Urals Region *[ROSSIYSKIYE VESTI 6 Dec]* 13

RUSSIA NATIONAL AFFAIRS

Political Issues

- Yeltsin Appoints Yegorov Deputy Prime Minister *[ITAR-TASS]* 14
- Yeltsin Tables North Caucasus Amnesty Draft *[ITAR-TASS]* 14
- Dudayev Solves 'Problem' Through Grachev *[ITAR-TASS]* 14
- Russian Security Council Discusses Chechnya *[ITAR-TASS]* 14
- Key Chechnya Figures Plan 'Civilized Dialogue' *[ITAR-TASS]* 14
- Security Council Announces Chechen Measures *[ITAR-TASS]* 14
- Yeltsin Orders Dismissal of Justice Minister *[ITAR-TASS]* 15
- Legal Administration on Yeltsin Weapons Edict *[ROSSIYSKIYE VESTI 7 Dec]* 15
- Federation Council Appoints Constitutional Judge *[ITAR-TASS]* 15
- NRPR Cites 'American' Lifestyle as Enemy *[SEGODNYA 6 Dec]* 15
- 'Observers' Link FCS Chief Firing to Politics *[KOMSOMOLSKAYA PRAVDA 6 Dec]* 16
  - Dismissal Brings Many Theories *[NEZAVISIMAYA GAZETA 6 Dec]* 17
- Journalists Protest Official 'Disinformation' *[ITAR-TASS]* 17
- Bankers on 'Most' Raid, Economic 'Damage' *[SEGODNYA 7 Dec]* 17
  - Raid Seen as 'Warning' *[NEZAVISIMAYA GAZETA 6 Dec]* 18

Economic Affairs

- Panskov, IMF Discuss 1995 Draft Budget *[INTERFAX]* 18
- Soskovets Allocates Defense Repayment Funds *[Moscow Radio]* 18
- Recent Wages Rise, Living Standards Fall *[TRUD 6 Dec]* 19
- Chernomyrdin Signs Fuel Export Suspension Decree *[ROSSIYSKAYA GAZETA 6 Dec]* 20

Yurkov Sees Economic Recovery in Positive Light *[INTERFAX]* 20
Chernomyrdin Considers Tariffs, Currency Controls *[KOMMERSANT-DAILY 6 Dec]* 20
Officials Discuss Budget Figures, Views Differ *[ROSSIYSKIYE VESTI 6 Dec]* 21
Former Minister Views Budget Crisis *[IZVESTIYA 6 Dec]* 21
'Red Tape' Prevents Ammunitions Export *[Moscow TV]* 23

Federal Assembly

Yeltsin Edict on N. Ossetia State of Emergency Voted Down *[ITAR-TASS]* 23
    More on Edict Rejection *[INTERFAX]* 23
State Duma Debates Chechnya; Zhirinovskiy on Coup Threat *[Moscow TV]* 23
Disaffected Regions Kill Shatalov's Tax Reform Bill *[KOMMERSANT-DAILY 6 Dec]* 24

Regional Affairs

Reportage, Commentary on Chechnya Developments 24
    Commandant Announces 'Laws of Wartime' *[ITAR-TASS]* 24
    War Preparations Under Way *[Moscow Radio]* 24
    Dudayev Meets With Russian Ministers *[ITAR-TASS]* 25
    Dudayev Comments on Meeting *[ITAR-TASS]* 25
    Dudayev 'Satisfied' With Meeting Results *[ITAR-TASS]* 25
    Yavlinskiy Meets With Yandarbiyev *[Moscow Radio]* 25
    Zhirinovskiy Holds News Conference *[SEGODNYA 7 Dec]* 26
    POW Issue 'Virtually Settled' *[Moscow Radio]* 26
    Seven POWs Arrive in Moscow *[ITAR-TASS]* 26
    Grachev, Dudayev 'Understood Each Other' *[ITAR-TASS]* 27
    Power Ministers Back Peaceful Settlement *[INTERFAX]* 27
    Grachev Sees Need for Another Meeting *[ITAR-TASS]* 28
    Newspaper Questions Army's Stance *[IZVESTIYA 7 Dec]* 28
    Grachev's Talks With Opposition Viewed *[KRASNAYA ZVEZDA 7 Dec]* 29
    Officials Comment on Aid Prospects *[INTERFAX]* 29
    Opposition Ready To Surrender Weapons *[INTERFAX]* 30
    Opposition Group Wants Role in Talks *[ITAR-TASS]* 30
    Opposition's Frustration Viewed *[MOSKOVSKIY KOMSOMOLETS 7 Dec]* 30
    Security Council Discusses Chechnya *[ITAR-TASS]* 31
    'Barefaced Lies' About Attack Hit *[KOMSOMOLSKAYA PRAVDA 6 Dec]* 31
    Leaderships' Handling of Chechnya Faulted *[KOMSOMOLSKAYA PRAVDA 6 Dec]* 32
    Grachev, Gromov Differences Viewed *[IZVESTIYA 7 Dec]* 33

URKAINE

International Affairs

Foreign Ministry Expresses Concern Over Chechen Conflict *[Kiev International]* 34
Foreign Ministry Hails Signing of Safety Guarantees at CSCE *[ITAR-TASS]* 34
    Kuchma Praises CSCE Summit Results *[Kiev TV]* 34
Official Examines Security Guarantees Signed in Budapest *[INTERFAX]* 34
Kravchuk: Budapest Memorandum 'Illusion' of Security *[INTERFAX]* 35
Moroz Protests Russian State Duma Statement on Crimea *[ITAR-TASS]* 35

National Affairs

Yeltsin Visit to Kiev Deemed 'Unlikely' 'Any Time Soon' *[INTELNEWS]* 35
Crimean President 'Out of Hiding'; Low Popularity Noted *[INTELNEWS]* 36
Kuchma Views Relations With Russia, West *[KOMSOMOLSKAYA PRAVDA 6 Dec]* 36
Chairman Views National Bank's Policy *[UNIAN]* 38
Kuchma, in Letter to Moroz, Notes Economic Legislation Plan *[Kiev International]* 40
Guided Missiles, Antiaircraft System Missing From Depot *[MOLOD UKRAYINY 6 Dec]* 40
New Defense Minister Facing 'Tension' With General Staff *[KRASNAYA ZVEZDA 6 Dec]* 40
Energy Minister Views Sector Problems *[DEMOKRATYCHNA UKRAYINA 1 Dec]* 41

WESTERN REGION

Belarus

Deputy Premier Explains Decision To Resign *[INTERFAX]* 43
Government To Expand Market-Based Pricing *[ITAR-TASS]* 43
Legislators Discuss Economic Ties With Polish Counterparts *[Minsk Radio]* 43

Moldova

PSM Congress Want To 'Broaden' Left-Wing Bloc *[INFOTAG]* 43

CENTRAL ASIA

Kazakhstan

Foreign Minister on Upcoming Yeltsin Visit *[EKSPRESS 2 Dec]* 44
Nazarbayev Welcomes NPT Security Guarantees *[INTERFAX]* 45
Nazarbayev Decree Establishes Military Police *[PRAVDA 6 Dec]* 45
Cossacks Become Authorities' 'Biggest Headache' *[SELSKAYA ZHIZN 6 Dec]* 45

Kyrgyzstan

Akayev Proposes Simultaneous Parliament, Local Elections *[INTERFAX]* 46
    Criticizes Draft 1995 Budget *[INTERFAX]* 46
Security Official on Widespread Corruption *[SLOVO KYRGYZSTANA 29 Nov]* 47

Tajikistan

Tajik-Uzbek Economic Association Plans Expansion *[Dushanbe Radio]* 49
Presidential Edict Broadens Economic Reforms *[Dushanbe Radio]* 49
Situation on Afghan Border Improves Slightly *[ITAR-TASS]* 51
Over 30,000 Refugees Return From Afghanistan *[INTERFAX]* 51
Russian, Local Forces Discover 'Opposition' Arms Cache *[Dushanbe Radio]* 51
Islamic Opposition Said Planning Border Post Attack *[INTERFAX]* 51
Weapons Confiscated in Gorno-Badakhshan *[Dushanbe Radio]* 52

Turkmenistan

'Peace Cargo' From Pakistan Arrives in Ashgabat *[TURKMENISTAN 28 Nov]* 52
Customs Attempts To Curb Narcotics Smuggling *[Moscow TV]* 53

CAUCASUS

Armenia

Ter-Petrosyan: Karabakh Sovereignty Key to Peace *[ARAGIL ELECTRONIC NEWS BULLETIN]* 54
Gas Supply Agreement Signed With Georgia, Turkmenistan *[NOYAN TAPAN]* 54

Azerbaijan

Denial of Azerbaijani Servicemen in Chechen Conflict *[INTERFAX]* 54
Foreign Minister Gasanov Views Peacekeeping Forces *[Baku TV]* 54
Agreement on Composition of Karabakh Peacekeeping Force *[TURAN]* 55
Armenian President's Accusation During CSCE Address *[TURAN]* 55
    Baku Denies Accusation *[INTERFAX]* 55
IMF Withholds Promised Loan; Conditions Not Met *[KOMSOMOLSKAYA PRAVDA 6 Dec]* 55

Georgia

Azerbaijan Demands Nonstop Supply of Humanitarian Aid *[ITAR-TASS]* 56
Shevardnadze Hopes for Arrival of Ukrainian Observers *[INTERFAX]* 56
Abkaz President Sworn In; Opposes Force in Chechnya *[INTERFAX]* 56
Abkhazia's Ardzinba on Independence Move *[TRUD 6 Dec]* 56
Murdered Democratic Party Leader Profiled *[IZVESTIYA 6 Dec]* 58
    CSCE Mission Condemns Murder of MP *[ITAR-TASS]* 59
    Killing Said 'Purely Political' *[KOMSOMOLSKAYA PRAVDA 6 Dec]* 60
Schools Close Until March Due to Energy Crisis *[IPRINDA]* 60

Text of Defense Ministers' Statement on Grachev, Media

MM0512114394 Moscow KRASNAYA ZVEZDA in Russian 3 Dec 94 p 1

["Statement of the CIS Defense Ministers Council"]

[FBIS Translated Text] We, the members of the CIS Defense Ministers Council, believe it necessary to voice our position in connection with the campaign mounted in certain Russian and other mass media to discredit the leadership of the Russian Federation Armed Forces and the Russian defense minister personally, who is the chairman of the CIS Defense Ministers Council.

We cannot ignore the fact that certain forces, in an endeavor to split the Russian Armed Forces by any means, are thus trying to destabilize the situation in the Army.

We cannot ignore the fact that this patently aims to impugn the honor and dignity of the Russian defense minister.

We are entitled to regard these actions as a threat not only to Russia's national interests but also to the interests of the growing military cooperation within the CIS framework.

The Defense Ministers Council urges the mass media of all CIS states at this highly complex period in the development and reform of the national armies to provide objective, competent, and well-considered coverage of the processes taking place within the armed forces.

ITAR-TASS Carries Press Review for 7 Dec

LD0712063294 Moscow ITAR-TASS in English 0541 GMT 7 Dec 94

["Press Review"—ITAR-TASS headline]

[FBIS Transcribed Text] Moscow December 7 (ITAR-TASS)—Today's Russian newspapers pay main attention to two issues: the end of the CSCE summit in Budapest and the situation in the Chechen Republic.

In the opinion of the IZVESTIYA newspaper, the Budapest summit dashed hopes of Russian diplomacy to hinder admission of East European states to NATO. "Both Western and Eastern Europeans displayed full solidarity with Washington's position. Moscow found itself in isolation," the daily writes.

Clinton won the victory at the duel of the Russian and American presidents over Europe, the NEZAVISIMAYA GAZETA newspaper writes. "While Russia was engaged in dismantling the Soviet imperial policy, the West lauded it and intimated early and full integration in the world and European community.

"As soon as there was nothing left to dismantle, and it was necessary to assemble a new foreign policy of a new Russia, the barrier was raised before its very nose," the newspaper notes.

The russian and U.S. presidents have different views on the role of CSCE, the ROSSIYSKAYA GAZETA writes. The KOMSOMOLSKAYA PRAVDA newspaper notes that Russia can protect its position only if it wins support from U.S. European partners.

Commenting on the situation in Chechnya, Russian newspapers describe in detail the trip by Russian Defence Minister Pavel Grachev to the northern Caucasus.

"The arrival of Defence Minister Pavel Grachev in North Ossetia where Russian troops are massing on the border with Chechnya, convincingly shows that Russia is inclined to settle the Chechen problem by force," NEZAVISIMAYA GAZETA writes.

IZVESTIYA notes: "Troops on the border with Chechnya speak of peace and brace for war".

According to information available to the Army newspaper KRASNAYA ZVEZDA, Grachev does not preclude a strong-armed version of stopping armed confrontation in Chechnya.

The minister told the newspaper that Army groups are being formed in some areas bordering Chechnya. They will be brought into action only if a peaceful version for settling the conflict is not supported by the warring sides.

The time for surrendering arms expires on December 15. Nevertheless, the defence minister, expressing his personal stand, said that he does not seek to settle the conflict by force, KRASNAYA ZVEZDA notes.

In the opinion of the newspaper, troops are ready to act resolutely, but talks are preferable.

Speaking of the captured Russian servicemen, IZVESTIYA writes, referring to a Chechen colonel, that the main threat to their security now emanates not from Chechen authorities but "from the Russian military leadership which is ready to remove these witnesses of their crime".

Foreign Ministry Official on Peace Treaty With Japan

LD0612214694 Moscow ITAR-TASS in English 1950 GMT 6 Dec 94

[By ITAR-TASS diplomatic correspondent Vladimir Solntsev]

[FBIS Transcribed Text] Moscow December 6 TASS—Moscow does not connect settlement of the territorial issue with Japan and conclusion of a bilateral peace treaty with the Japanese striving to become a permanent member of the United Nations Security Council, a high-ranking staffer of the Russian Foreign Ministry told ITAR-TASS today.

The opinion that Russia would like to sign a peace treaty with Japan before a decision to increase the number of permanent members of the U.N. Security Council is taken "is not the official stand of the Russian Foreign Ministry. It belongs to the one who expressed it," said the representative. What is more, this approach "would not correspond to the discussion on reform of the U.N. Security Council at competent bodies of the United Nations".

The comments were caused by a recent Russian press report claiming Russia would like to sign a peace treaty with Japan by the time the U.N. Security Council decides to expand its membership. The report referred to a high-ranking Russian diplomat whose name was not mentioned.

A staffer of the Japanese Foreign Ministry told ITAR-TASS in Tokyo that his government would like to verify the report's reliability. Anyway, Japan thinks that the peace treaty with Russia and its permanent membership in the Security Council are not interrelated.

Another Russian diplomat told ITAR-TASS today that Moscow and Tokyo are discussing their cooperation in the United Nations and other international organizations within the framework of bilateral consultations. However, the possible Japanese permanent membership in the Security Council is not a subject of these discussions.

Iraq's 'Aziz on Impromptu Visit to Moscow

LD0612204694 Moscow NTV in Russian 1900 GMT 6 Dec 94

[FBIS Translated Text] Iraqi vice-president Tariq 'Aziz is to arrive in Moscow about 2000 GMT. His visit was not planned beforehand, and has been somewhat unexpected for the Russian Ministry of Foreign Affairs. Ostensibly, Tariq 'Aziz has been a frequent visitor to Moscow recently: This is his first visit here since summer.

This time Tariq 'Aziz will hand over to Yeltsin Saddam Husayn's letter, and also will discuss with Foreign Minister Kozyrev the settlement of the situation in the Persian Gulf tomorrow. Russia has acted on many occasions as some kind of an intermediary between Iraq and Western countries. Now again, Tariq 'Aziz may want to rally support from the Russian side before the start of UN hearings on anti-Iraqi sanctions, a representative of the Russian Federation Foreign Ministry told us. The Ministry maintains however that being a mediator, Russia has however never protected Saddam Husayn.

[Begin Deputy Foreign Minister Viktor Posuvalyuk recording] We are not Iraq's advocates. This is not a correct interpretation, to say so. [end recording]

The Ministry also has a negative attitude to statements in the press that Moscow is supporting Iraq only because Husayn promised that Iraq would return to Russia its seven billion dollar debt.

[Begin Posuvalyuk recording] There is an impression when one reads them that the Russian leadership is virtually possessed by the desire to recoup these seven billion dollars. Everything is much subtler. [end recording]

The Russian side says that Moscow is not interested in developing relations with Iraq and other states of the Persian Gulf out of some mercantile ambition, although it does not want to fall behind other countries in striking lucrative business deals with Iraq, inter alia.

[Begin Posuvalyuk recording] Believe me, when the situation around Iraq normalizes, the United States and other Western countries as well major states of the third world will instantly jump on the bandwagon. [end recording]

'Aziz Meets With Kozyrev

LD0612190794 Moscow INTERFAX in English 1529 GMT 6 Dec 94

[From the "Diplomatic Panorama" feature by diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov, and others]

[FBIS Transcribed Text] Interfax learned from sources in the Russian Foreign Ministry that Iraq's Deputy Premier Tariq 'Aziz will arrive in Moscow Tuesday [6 December] evening for a brief working visit. On Wednesday he is to confer with Russian Foreign Minister Andrey Kozyrev.

According to a senior Foreign Ministry official, the goal of the upcoming meeting is to "exchange views on ways to reach a final solution to the Iraqi-Kuwaiti crisis."

The official recognition of Kuwait's sovereignty and international borders by Baghdad in mid-November "created a qualitatively new situation in the Persian Gulf area," the diplomat pointed out.

"In addition to compliance with a number of the world community's demands in the area of disarmament, the step taken by Iraq dictates the need to exert continuous diplomatic efforts with a view to moving step by step toward implementing the other UN Security Council resolutions, including aspects concerning the gradual lifting of sanctions against Baghdad," the source stressed.

As he said, "the present visit to Moscow by Tariq 'Aziz is in line with such diplomatic efforts."

The diplomat believes that the present visit by Iraq's deputy premier is devoid of the "slightest tinge of sensation." When Baghdad recognized Kuwait's independence and frontiers legislatively, the process of solution to the Iraqi-Kuwaiti crisis entered a quieter diplomatic channel, he explained.

Meetings between Kozyrev and 'Aziz have become "regular and even routine" of late, the diplomat noted. "These contacts stem from the special significance of the 'Iraqi component' in Russia's Middle East policy, as well as from the need to ensure stability in the Persian Gulf area," the diplomat pointed out.

Rybkin Meets British Foreign Affairs Minister

LD0612230194 Moscow ITAR-TASS World Service in Russian 1559 GMT 6 Dec 94

[By ITAR-TASS correspondent Vladimir Voronkov]

[FBIS Translated Text] London, 6 Dec—Ivan Rybkin, chairman of the State Duma, had a meeting today in the Foreign Office with Douglas Hogg, Minister of State for Foreign Affairs of Great Britain. Rybkin has cut short by one day the program of his official visit because of the deterioration of the situation in Chechnya and the forthcoming vote in parliament on this matter.

The sides discussed a wide range of topical international problems including the situation in the trans-Caucasus, the role of NATO in Europe and the North Atlantic alliance's plans to expand its frontiers to the east, and questions of parliamentary democracy.

The conversation took place in a friendly atmosphere and was very useful, a spokesman of the British Foreign Office told the ITAR-TASS correspondent. Great Britain regretted that Rybkin was cutting short his visit but understood the necessity for this step.

Today Rybkin had a meeting with Jeremy Hanley, chairman of the ruling Conservative party and also with Jacques de Larosiere, president of the London-based European Bank of Reconstruction and Development.

UNSC Draft on B-H Sanctions Said 'Inadequate'

LD0612161994 Moscow ITAR-TASS in English 1537 GMT 6 Dec 94

[By ITAR-TASS diplomatic correspondents Yuriy Kozlov and Andrey Serov]

[FBIS Transcribed Text] Moscow December 6 TASS—A draft resolution of the U.N. Security Council on sanctions against Bosnian and Krajina Serbs was described as "absolutely inadequate" at a briefing in the Russian Foreign Ministry. The draft prepared by a group of non-aligned countries is "absolutely inadequate to the situation that has formed now in the settling of the crisis in former Yugoslavia," spokesman for the Russian Foreign Ministry Nikita Matkovskiy said on Tuesday [6 December].

The document which was vetoed by Russia when put to vote in the U.N. Security Council on December 2, envisaged curbs on import and export by Bosnian and Krajina Serbs in the framework of Resolution Number 820 whose cancellation Moscow demands.

The resolution was adopted when pressure was brought on Yugoslavia whose leadership, according to the Russian Foreign Ministry spokesman, "took the road of constructive cooperation in the settlement of the Yugoslav crisis since then". This line by Yugoslavia, in the opinion of Russian diplomats, "deserves to be encouraged". If the draft new resolution were adopted, sanctions under Resolution 820 would be tightened.

At the same time, the Foreign Ministry spokesman expressed satisfaction with a report by the head of the mission of the international conference on former Yugoslavia which notes that Belgrade fulfils its obligations for the blockade of the border with Bosnian Serbs.

Reports in some Western media that Moscow, allegedly, began shipping arms to the Balkans after the lifting by the United States of the control on the observance of the international embargo have also been refuted.

"We have the information that during the operation of the United Nations sanctions there have been no arms deliveries to former Yugoslavia through the state company "Rosvooruzhenye" which is in charge of the export of Russian arms in the framework of the military-technical cooperation with foreign countries".

The conclusion suggests itself that it suits somebody to present matters in such a way as if Moscow were resposible in a certain measure for the escalation of hostilities in the Balkans, the spokesman said. "I do declare with all responsibility that the Russian side has not made and is not making any manoeuvres to bypass the embargo," the spokesman said.

Foreign Ministry Official on Russian CSCE Program

LD0612180794 Moscow ITAR-TASS in English 1724 GMT 6 Dec 94

[By ITAR-TASS diplomatic correspondents Yuriy Kozlov and Andrey Serov]

[FBIS Transcribed Text] Moscow December 6 TASS—The Russian program on CSCE works. It aims to raise

CSCE efficiency and turn it into fully-fledged regional organization, official representative of the Russian Foreign Ministry Nikita Matkovskiy told a briefing here today.

In his words, the Budapest meeting began a broad dialogue on a new security model for Europe and "established the key role of CSCE in European security". The official called attention to "a large package of military-political documents that are drafted in development of current security and confidence measures to include a naval component".

The approval of a large document on human rights is essentially important, said the diplomat. CSCE economic activities will be boosted as well to help consolidation of good-neighbourliness, non-confrontation development, mutual understanding and trust.

CSCE Summit Statement on Bosnia Rejected

LD0612142394 Moscow ITAR-TASS in English 1413 GMT 6 Dec 94

[By ITAR-TASS special correspondent]

[FBIS Transcribed Text] Budapest December 6 TASS—Russia has rejected a statement on Bosnia and Herzegovina offered for approval to participants in the Budapest CSCE summit.

Representative of the Russian delegation Yuriy Usakov told the summit participants that Russia cannot agree with the suggested text on Bosnia and Herzegovina. "The Russian delegation has to state that permanent efforts of many delegations have failed to result in agreement on the document's text that must be acceptable for all".

Weapons Delivery to Bosnia Denied

LD0612133394 Moscow ITAR-TASS World Service in Russian 1300 GMT 6 Dec 94

[FBIS Translated Text] Moscow, 6 Nov—Russia is not delivering weapons to Bosnia, Nikita Matkovskiy, an official Russian Federation Foreign Ministry spokesman, stated at a briefing today. He denied reports carried by some western media, alleging that Moscow has begun to send weapons to the Balkans since the United states lifted the monitoring of the observation of the relevant international embargo.

"We have been informed that since the UN sanctions have been in force, no arms deliveries to the former Yugoslavia have been made through the Rosvooruzheniye state company, which is in charge of the export of Russian weapons within the framework of military and technical cooperation with foreign states," the foreign policy department spokesman said. One cannot help drawing the conclusion that it is to somebody's advantage to present things in a light showing Moscow to be responsible to a certain degree for the escalation of combat actions in the region, the diplomat continued.

"I want to say with total responsibility that the Russian side has not made and is not making any moves to bypass the embargo," the official Foreign Ministry spokesman stressed.

'Paradoxes' of Russian Bosnia Policy Viewed

MM0612140094 Moscow SOVETSKAYA ROSSIYA in Russian 6 Dec 94 p 3

[Article by Yevgeniy Popov: "Paradoxes of Russian Diplomacy: Cap-in-Hand Veto"]

[FBIS Translated Text] It seems that it is not only in the anecdote [reference unknown] that a few resolute "Yes's" result in a very distinct "No." For some time paradoxes of this kind have been the very essence of Russian diplomacy, constantly tossing and turning in a kind of Bermuda triangle where common sense sinks without trace in the space—the vast space—between appearance and reality. The latest illustration of this was two contradictory signals sent at the end of last week from New York and Brussels.

At the UN Security Council the Russian representative really astonished the world by laying down the first veto since the breakup of the USSR, and moreover the veto was on the draft of the latest of the anti-Serbian resolutions which have been presented as if on a conveyor belt since the start of the Bosnian conflict and have never hitherto encountered opposition from Russian diplomacy.

But at the same time something diametrically opposite was happening in Brussels. During the so-called international contact group's discussion of the supposed "new peace plan" on Bosnia-Herzegovina, Russian Foreign Minister Kozyrev, as has happened many times before, once again drew himself up in a disciplined manner and stood to attention, saluting [kozyryaya—a pun on Kozyrev's name] the United States, Britain, France, and Germany. In the event, the only new thing was the bombastic name "initiative." According to a BBC commentator's assessment, "the plan differed little from the one already rejected by the Bosnian Serbs."

The contact group, with a sinister stubbornness and disregard for the realities of life, keeps pushing the self-same ratio—arbitrarily set by Washington—for the partition of Bosnia-Herzegovina—51:49. As before, the "peacemaking" vocabulary of resolving the conflict "by diplomatic means" only thinly disguises the NATO thugs' threats. Precious little remains of the Kozyrev "Bosnia initiative" that was so widely publicized in the Russian democratic press. Only in the vaguest and most indefinite terms does the contact group promise Bosnian Serbia [as published] the establishment of "closer links" with federal Yugoslavia. There is not a word about a confederative union like the one the Sarajevo government has concluded with Croatia. On the contrary, the thesis of the "inviolability and indivisibility" of Bosnia-Herzegovina is emphasized.

U.S. President Clinton deemed it necessary to send a personal message to Izetbegovic, leader of the Bosnian Muslim fundamentalists, highlighting the main points in connection with the contact group's latest plan: There can be no question of a confederation between Bosnian Serbia and Yugoslavia, and the United States resolutely supports the idea of "preserving a single state within the present borders."

It is all the more surprising that even after that, Kozyrev still tries to pass off the extremely vague phrase in the contact group's communique on recognition of the equal opportunities of all parties to the conflict as being some kind of guarantee for the Bosnian Serbs of union with their brothers in Serbia and Montenegro.

Nor did Kozyrev get anywhere with the lifting of the economic sanctions imposed against Serbia and Montenegro, with which, in fact (along with the "firm" promise of a confederation between Bosnian Serbia and Yugoslavia), he "bought" Slobodan Milosevic to secure the blockade of Bosnian Serbs. Belgrade is today obliged to be content with a purely symbolic trifle, the resumption of the work of the international airport.

As was to be expected, the latest stillborn so-called peacemaking plan has caused profound disappointment in Pale. Radovan Karadzic, leader of the Bosnian Serbs, particularly stressed one obvious flaw in the contact group's proposals, namely the fact that they totally ignore the problem of guarantees of the independence of Serbian Krajina, without which the flames of war in the Balkans cannot be extinguished. In short, Russian diplomacy has once again lost its common sense and its grip on reality in a diplomatic Bermuda triangle which this time extends from New York to Brussels.

Christ in heaven and Russia on earth—that is what they used to say, and many still say, in Serbia and Montenegro. But Yeltsin's and Kozyrev's Russia has several times cruelly stabbed our brothers in the back by supporting more and more Security Council resolutions that discriminate against the Serbs. Some of them were not only approved, but even proposed by Russia. Serbian aircraft are banned from flying in Bosnia's skies, but NATO planes can do whatever they like. Six Muslim "safe zones" were set up with Russia's consent, which have in effect become UN-protected military strong points and bases for launching offensives, as happened in October in Bihac. And in Gorazde, under the protection of UN forces, a military equipment plant is stepping up production, receiving electricity and water for manufacturing needs from the "peacekeepers." The height of cynicism was represented by Resolution 836, which granted the North Atlantic military bloc the opportunity to use Bosnia as a kind of proving ground to try out methods of inflicting air strikes with impunity—exclusively against Serbian targets, naturally.

In recent days NATO aircraft have resumed flights over Bosnia, and the Serbs have been given an ultimatum to the effect that locking radars on the aircraft will lead to strikes against the entire missile system, which, according to NATO intelligence, is located at approximately 30 sites. In response Radovan Karadzic renounced an accord reached earlier on releasing some 400 UN servicemen from a kind of house arrest (the Bosnian Serbs were forced to resort to this preventive measure after the latest NATO bombings). "The Serbs are entitled to defend themselves!"—Karadzic stated, quite reasonably.

In contrast to what has become the practice, after the Brussels conference of the international contact group it was not Kozyrev who went to Belgrade to try to talk Milosevic round. This mission was taken on by British and French Foreign Ministers Hurd and Juppe. Although judging by news agencies' reports they did not so much talk as threaten.

And Russia? At first Yeltsin used to adopt a noble stance and condemn NATO piracy (even then, only if Russia had not been informed beforehand), but now he unconditionally approves the bombings and puts the blame on...the Serbs!

In this context the Russian veto on the draft anti-Serbian resolution looks rather odd. All the same, this surprise move by Russian diplomacy cannot be said to be without cause. Russia's spineless pro-American foreign policy (including its policy on the Bosnian Serbs) is prompting increasing indignation among Russians.

Short-term political expediency is probably playing a part here too: A conference of leaders of the CSCE countries is opening in Budapest, which, after some hesitation, U.S. President Clinton has decided to attend.

It may be assumed that the Russian president will again try to play the part of a supposedly fully autonomous leader, independent of the United States. It was no accident that after a telephone conversation with Yeltsin from Brussels, suddenly Kozyrev, while not exactly refusing categorically to sign the document on the principles of relations between Russia and NATO, postponed this act, claiming that he had had no opportunity to study the document. (This, however, was refuted in an AP report based on information from NATO headquarters.)

Not for the first time, Russian diplomacy is pretending for tactical purposes that it is absolutely independent of anyone and everyone, the United States included. But alas, the distance between appearance and reality always proves to be vast. And this is inevitable if only because games of this kind are ultimately beginning to annoy those who really do determine Russia's policy nowadays. As a Shakespearean hero said, "majesty might never yet endure the moody frontier of a servant brow"!

Details of Border Dispute With Lithuania Presented

WS0612125894 Kaliningrad STRAZH BALTIKI in Russian 17 Nov 94 p 1

[Report by Yu. Dmitriyev: "Lest We Be Ashamed of Our State"]

[FBIS Translated Text] **There are again going to be difficult talks about the state border at Russian-Lithuanian negotiations which begin today.**

Undoubtedly, there will again be heated debates on three issues—Lake Vishtynets, Kurshskiy Zaliv, and the sea border along the Baltic Sea. Moreover, the three objects are not only of a great natural value, but also vital for our region.

Lake Vishtynets, located on our border with Lithuania and Poland, belongs to the chain of Masurian Lakes, which are located primarily on Polish territory. The Kaliningrad part of Vishtynets is the largest one. As Tatyana Grin, chief of the Maritime Inspectorate of the Kaliningrad Oblast Committee for Environmental Protection and Natural Resources, told STRAZH BALTIKI, the main asset of the lake is its water. The lake is the strategic reserve of water for our oblast and ranks third in terms of fish resources. In particular, Vishtynets will "water" Kaliningrad in the future. The lake's depth is 60 meters, and the clarity of water exceeds our state standards. It is no accident that the "crystal Baykal" of Kaliningrad Oblast is populated by rare species of fish, such as, for example, vendace [Coregonus albula] of the family Salmonidae, which is more expensive than beef and pork on Western markets. Almost 33 tonnes of vendace can be fished out of the Vishtynets every year. This is one of the best populations of this "preglacial reptile."

According to T. Hryn, an inspection of the Lithuanian part of the lake, which was conducted in 1991, revealed that regulations concerning protection of 1-km coastal zone were violated there—land was plowed perpendicularly to the lake, which increased erosion of coastal soil. A large construction project was under way in the vicinity of Chernyy Les, and a scout camp was not equipped with water purification facilities. From our side, as T. Gryn said, similar cases have not taken place—the lake has been preserved in its aboriginal condition.

At the same time, Lithuania demands almost half of the lake. It would be an irreparable mistake to give up this part, T. Gryn believes. There are German maps printed in 1924, which indicate that Lithuania merely had a small bay near the village of Vishtitis, and that the remaining part of the lake belonged to East Prussia.

Regarding Kurshskiy Zaliv, the talks will focus on moving the administrative border running along its bottom. The point is that two species of fish—bream [Abramis brama] and pike perch [Lucioperca lucioperca]—have their spawning-grounds in the Lithuanian part of Kurshskiy Zaliv, but they feed in the southern part located in Kaliningrad Oblast. Moving the border 10 or 15 km southward and handing over to Lithuania 13 hectares of Kurshskiy Zaliv would be a justified decision, T. Gryn thinks.

However, one must also remember that changing the border in Kurshskiy Zaliv may close access to Kurshskiy Zaliv through the Neman river for our ships. Nevertheless, T. Gryn believes that we can make concessions with regard to Kurshskiy Zaliv, though they should be accompanied by broad reservations.

Still, the most important is the issue of the sea border along the Baltic Sea. Its importance lies in the fact that the Baltic Sea shores in Kaliningrad Oblast may be rich in oil deposits. There are currently around 260 oil wells on the territory of our oblast. At the same time, the production of oil has decreased this year almost two-fold—from 1.5 million to 840,000 tonnes. This is connected with the fact that old deposits are running dry, and new ones should be developed. One of them, the so-called D-6, has been developed on the Baltic Sea shelf near the Lithuanian city of Klaipeda. It belongs to Kaliningrad oil workers. It is still hard to estimate how much oil deposit D-6 contains. The IZVESTIYA newspaper has cited a figure of 176 million tonnes.

The problem of the D-6 well is thus the problem of defining the sea border along the Baltic Sea. Since Kaliningrad oil workers have failed to begin operation of the D-6 well, Lithuania has requested that ecological balance be preserved, in connection with the fact that the Lithuanian spa of Nida is located near the deposit. Even specialists are not yet able to say whether the optimum option will be found with regard to this issue, or whether we will have to say goodbye to the oil deposit.

Almost everybody with whom I spoke while working on this report believes that the territory of our oblast is small, and every inch of it is thus of great value. V. Astashko, chief of the Baltic Territorial Inspectorate of the State Geodesic Directorate, thinks that a border agreement between Lithuania and Russia, which has been drafted for several years, should encompass all problems concerning sea and land borders. In any event, such a decision should not make anybody ashamed of their state.

Turkmen Opposition Figures Detained by FCS

LD0612231394 Moscow Russian Television Network in Russian 2000 GMT 6 Dec 94

[Video report by correspondent R. Safronov; from the "Vesti" newscast; passages contained within quotation marks are recorded]

[FBIS Translated Text] [Announcer Arina Sharapova] Russian human rights organizations are concerned about the fate of Turkmen journalist, Murad (Esenov), and an official from the Turkmenistan fund, Khalmurad (Sayunov) who were recently detained by the Federal Counterintelligence Service [FCS] in Moscow. They were detained at the request of Turkmenistan's law-enforcement bodies and in accordance with the Minsk Agreement. Russian journalists and human rights campaigners voiced alarm over the fact that the opposition figures, who in their homeland are accused of preparing an attempt on the leader of the state, can be sentenced to death. Kamildzhan Kalandarov, press secretary of the Turkmenistan embassy in Moscow, clarified the Turkmen authorities' official position.

[Safronov] Kamildzhan Kaladarov, press secretary of the Turkmen embassy in Moscow, does not regard the detainees as human rights campaigners.

[Kalandarov] "If they really prepared a terrorist act, their crime must be punished."

[Safronov] The embassy is upset about the reports on the activity of Turkmen opposition members from the Turkmenistan fund shown in Vesti.

[Kalandarov] "Is it worth showing people who are trying to destabilize the situation in a sovereign state?"

[Safronov] Having remarked that Turkmenistan's legislation is becoming more humane, Kalandarov refrained from making specific forecasts concerning (Esenov's) and (Sayunov's) fates if they are extradited.

[Kalandarov] "It is too early to guess. The trial and investigation will show, and then we can speak."

[Safronov] The Russian side's position was set out recently by Aleksey Ilyushenko, Russian acting procurator general. He stressed that the detention was carried out in accordance with the law.

[Ilyushenko] "Since we were not satisfied with some of the documents submitted to us, there is today no question of extraditing these people. I have given instructions to look into the matter within two weeks and to give me a specific answer."

[Safronov] Ilyushenko said that a positive decision was made on the issue of allowing (Esenov) and (Sayunov) to see the lawyer.

Moscow Ready To Support Cossacks in Kazakhstan

LD0612174194 Moscow ITAR-TASS in English 1538 GMT 6 Dec 94

[By ITAR-TASS diplomatic correspondents Yuriy Kozlov and Andrey Serov]

[FBIS Transcribed Text] Moscow December 6 TASS—Russia is ready to protect the interests of Kazakh Cossacks whose leaders have been recently arrested and sentenced by the Kazakh authorities, an official representative of the Russian Foreign Ministry told a briefing here today.

"The Russian side is ready for an immediate dialogue with Kazakhstan in order to normalize the situation around Cossacks, take into account their legitimate interests and help consolidation of friendship and cooperation between the Russian and Kazakh peoples," said the representative.

In the words of the Russian diplomat, the confrontation is "increasingly alarming" since it involves more forces and public organizations from both sides.

"In this situation fraught with further aggravation we hope that the dialogue will continue and problems will be settled. We also count on goodwill of the Kazakh leaders, their interest in consolidation of civic accord inside the state. We believe that the Cossack leaders will show wisdom and striving for mutual understanding with the Kazakh authorities, as well as avoid extremist demands," he said.

More CSCE Involvement in Local Peace-Keeping Favored

LD0612173494 Moscow INTERFAX in English 1529 GMT 6 Dec 94

[From the "Diplomatic Panorama" feature by diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov, and others]

[FBIS Transcribed Text] Russian President Boris Yeltsin thinks that the CSCE should be more actively involved in peace-making and in halting conflicts before they break out in this part of the world. Yeltsin spoke with a small group of Russian journalists in Budapest Monday [5 December] evening at the end of the working day at the meeting of CSCE leaders.

The president said that only Russia engages in peace-making efforts in the 'hot spots' near to its border. In his opinion the CSCE can and must form a military corps to be joined by formations from other countries when necessary.

Yeltsin said that in his Monday speech at the plenary session he spoke harshly of the idea of expanding NATO through admitting Central and East European countries. He told the press that the formation of such an expanding alliance near the Russian border would recreate the old situation. "We would return to what we left. We would again get a system of two alliances. Russia is not threatening or intending to threaten anyone but we do not know how NATO is going to act," Yeltsin said. He announced that several European leaders supported the idea that one should not haste with expanding NATO. Yeltsin thinks that the rapid expansion of the alliance threatens the security of Russia. He favors very tough terms for admission to NATO. At the same time Yeltsin said, "we think some day Russia can come to the point of joining the political part of the bloc."

In answer to a question from Interfax, Yeltsin said he attaches great hopes to the CSCE in the sphere of human rights. As an example he named the most painful issue of Estonia and Latvia where human rights are crudely violated. "We appealed to the CSCE but there have been no results, we want our countrymen and the church to be protected there, we do not want the 'citizenship card' to be played. This is an uncivilized approach," Yeltsin said. He is convinced that the CSCE should hold a more constructive and definite stand on human rights.

Speaking of President Clinton's stance at the Budapest meeting, Yeltsin said the United States leader had several reasons to feel himself a victor. The Americans are doing much for the CSCE. However, Yeltsin said, America cannot play a one-sided role. He repeated a phrase from his Monday speech at the CSCE: "The future of the world cannot be decided in one capital."

Russia views the CSCE summit in progress in Budapest as one of this year's most important political events, Russian Foreign Ministry spokesman Nikita Matkovskiy said at Tuesday's briefing.

He expressed satisfaction with the circumstance that Russia's program for raising the effectiveness of the CSCE "worked." "The CSCE gradually ceases to be a forum for debates, and turns into a full-fledged regional organization," he stressed.

According to Matkovskiy, "having become an organization, the CSCE will effectively protect ethnic minorities; it will be able to carry out peacekeeping operations." "This is what Russia called for," he said.

Yeltsin Interviewed in Budapest

LD0612205894 Moscow Ostankino Television First Channel Network in Russian 1835 GMT 6 Dec 94

[Interview with President Boris Yeltsin by unidentified Russian journalists at the CSCE summit in Budapest on 5 December; from the "At First Hand" program—recorded]

[FBIS Translated Text] [Unidentified announcer] At the European summit conference, which ended its work in Budapest today, real steps were taken to turn the CSCE into a fully-fledged regional organization, which is of fundamental importance to Russia. Leaving the Hungarian capital, Boris Yeltsin met correspondents of the Ostankino Television and Radio Company and representatives of Russian information agencies in order to sum up a few results of his visit.

[Yeltsin] There were, of course, proposals about a certain reorganization of the CSCE and, at least, about the further effectiveness of its work. Because, today the CSCE does not have forces of its own for a military contingent for, say, peacekeeping efforts in hot spots. It happens that we—Russia—are engaged in hot spots that are in our neighborhood. This is not just. Therefore, I have just had a conversation with a veteran—the president of France—and he also said, yes, we should indeed be setting up some kind of unified corps, and troop units of a number of countries should be poured into it who would always be on alert to carry out peacekeeping efforts in these hot spots. Of course, I spoke somewhat sharply with regard to the expansion, the hasty, if you like, expansion of NATO at the expense of the countries of Central and Eastern Europe.

We are opposed to that. I spoke about that today because it turns out that the frontier, our western frontier is moving...[pauses] The NATO frontier is moving right up to the border of the Russian Federation. It turns out that what we have been moving away from—from two blocs—is what we have arrived at—two blocs—it seems that one bloc is NATO, as it were, in Europe, and the second bloc is Russia.

But Russia does not wish to threaten anyone. But we do not know how NATO will behave. And so we are worried and our people are worried about this. And this question was raised rather acutely in debates, in meetings, and when discussing this question with leaders of other states and a number of them supported this idea: That at least there was no need to hurry or to take in and accept into NATO all the countries of Central and Eastern Europe in one fell swoop, straight away, in one go, in the course of one year. No, that threatens the security of Russia.

[Correspondent] Boris Nikolayevich, the United States and Russia have different views of NATO's role in strengthening security. Do you see any possibilities for drawing together the Americans' and our positions on this problem, or are you going to adopt a distinctly separate stance?

[Yeltsin] I think that it is necessary to seek ways of drawing closer together. Otherwise, we will move further apart. Otherwise, what is the point of partnership?

But partnership is order that the partners somehow support one another and seek compromises that would suit one side and the other. Therefore, I think that with the U.S. side we will seek and we will find such a compromise.

[Correspondent] Boris Nikolayevich, among the documents that you have just been examining at the session, there are economic documents. Naturally, this problem worries all Russians a great deal. Tell us, how do you correlate and how would you assess this document from the viewpoint of mutual relations between the CSCE and Russia and its economic prosperity?

[Yeltsin] I have to say that this year the positions of the European countries, the United States, Canada, Great Britain, and other countries have moved forward very significantly in their approach to Russia on economic questions. You have, of course, noted—I look at and read the media, and I have also noted that you have cottoned on to the fact that during my last visit to the United States I did not ask for direct aid. You see what I mean? Because, for us, it is more interesting and more just for us that there should be no discrimination against

Russia in questions of trade and economic cooperation. But all we have had now is discrimination.

Finally, headway has been made and indeed, on one question and another decisions are being made and Russia is on equal terms with others, and all we are asking is that we should be on equal terms. We are not asking for any special privileges.

[Correspondent] Boris Nikolayevich, you spoke today at the plenary meeting and there was a very interesting phrase: That it is too early to bury democracy in Russia. Could you please tell us how you regard the CSCE as an instrument in the fight for human rights, for democracy without aggressive nationalism, and so on.

[Yeltsin] Let us take what we regard as the most painful question in this regard—which is, say, Estonia and Latvia. There are very flagrant violations of human rights. Our frequent appeals to the CSCE have, unfortunately, not produced any reaction or any instrument for influencing those countries in order to protect the Russian, the Russian-speaking population there and, after all, they form a large proportion.

Therefore, we say that democracy with human rights. That is what we in the former Soviet Union were at one time being accused of all the time—that we violated human rights. Now we are accusing others of violating human rights. All the same, this is not a civilized world when countries have such relations with each other.

[Correspondent] Boris Nikolayevich, when you spoke...

[Yeltsin, interrupting] I was told there would be two questions.

[Correspondent] [Laughter] You have replied to four, Boris Nikolayevich.

[Yeltsin] Two questions.

[Correspondent] Perhaps this could be the last of the four. When you spoke of relations between Russia and NATO, something in the model that you outlined is similar to the status of France at one time within NATO, when France left the military integration but remained a member of the political part of NATO.

[Yeltsin] It is very similar, very similar.

[Correspondent] Possibly we can end on this. Boris Nikolayevich, we journalists received the impression in corridors that the United States considers itself to the unofficial master of the CSCE. We feel this because we see the advantages that our American colleagues working here receive. And Bill Clinton today left fully triumphant. Is that a mistaken impression that we journalists have here?

[Yeltsin] You see, there is no...[pauses] There is some basis for this. Did you notice one phrase that I used: That it is not permissible for the fate of the world and so on to be decided from one capital. I hope that everyone has understood from which capital. That is what I meant. But, on the other hand, for example, he [Clinton] very much wanted to open and to take the chair at a mini-summit—Russia, the United States, Great Britain, Ukraine, Kazakhstan, and Belarus—with regard to the nonproliferation of nuclear weapons and the signing of treaties, and so on and so forth. However much he wanted, he failed to succeed. So, he did not go away completely triumphant.

[Correspondent] Thank you.

Yeltsin Made 'Great Impression' on CSCE

MM0612123594 Moscow KRASNAYA ZVEZDA in Russian 6 Dec 94 p 1

[Commentary by Vladimir Kuzar: "CSCE Summit Seeks Path to Europe of the 21st Century—a Continent of Peace and Security"]

[FBIS Translated Text] Budapest, 5 Dec—This time the skeptics were put to shame. So many times recently we have heard it said that the CSCE is obsolete, is not up to the changed situation, and can do little to ensure reliable and effective security in Europe.

Here in Budapest, however, where the meeting of leaders of states and governments of the more than 50 countries belonging to the CSCE opened in a solemn and yet businesslike atmosphere at the Palace of Congresses today, it all looks somewhat different. Interest in the meeting is enormous. Suffice it to say that more than 1,500 representatives of the mass media from virtually all or almost all of the countries of the world have come to the Hungarian capital to cover this event.

But the important thing, of course, is nothing to do with the excitement being created by my colleagues. It seems that the West's line of ignoring the CSCE has failed. The leading NATO powers, primarily the United States and Germany, are seeking ways to balance their planned expansion of the North Atlantic bloc in the eyes of those who see this as a real attempt to create a new split in Europe. With that aim in mind, it seems that they are determined to do something to enhance the role and prestige of the CSCE.

Of course, Russia's persistent desire to raise the status of this regional organization and endow it with real powers to ensure genuine security on the continent was bound to have an effect. Even though many concrete and constructive Russian proposals on this score were rejected by our Western partners even before the Budapest meeting, they have not lost their significance and are influencing the course of the meeting taking place here. Moscow's ideas really do correspond to the essence of the work which the CSCE is designed to deal with—the creation of a reliable and effective security system in Europe.

It would not be untrue to say that the choice of ways to achieve that goal is bound up with great difficulties.

Suffice it to say that the experts' intensive, round-the-clock work on the preparation of the essential main documents—there are six of them—was still in progress even when the meeting had been officially opened. The items on the agenda include the strengthening of the CSCE and the enhancement of its role in resolving Europe's problems and ensuring security on the continent, including stepping up peacemaking efforts, monitoring armaments, and promote disarmament inside and outside the CSCE's zone of operation. What is important for us, of course, is that one of the main topics for discussion is the regional organization's exercise of its peacemaking role on the territory of the CIS too.

The Budapest summit is expected to adopt a Political Declaration and a special declaration devoted to the 50th anniversary of the end of World War II, as well as a number of documents on military-political questions. It is not impossible that a decision will be adopted on sending CSCE peacemaking forces (over 3,000 men) to Nagorno-Karabakh. I use the words "not impossible" because unanimity has still not been achieved on this question.

The culmination of the morning session was the speech by Russian President Boris Yeltsin.

Next year, 1995, sees the 50th anniversary of the end of World War II, Boris Yeltsin said. Now, half a century on, we are increasingly coming to understand the true meaning of the Great Victory: the need for the historic reconciliation of Europe. There must never be enemies, victors, and vanquished in Europe again. For the first time in its entire history our continent has a real chance to achieve unity. To miss that chance would be to forget the lessons of the past and place the future itself in jeopardy. The memory of those who fell and the lives of generations to come demand the utmost responsibility from us today. "Let us be equal to our duty. I invite all the states' leaders to a great celebration marking the 50th anniversary of Victory Day on 9 May 1995," the Russian president stressed.

Addressing the participants in the meeting, Boris Yeltsin also said: "Even before Europe has managed to rid itself of the Cold War legacy it is running the risk of burdening itself with a 'cold peace.'" The Russian president stressed that blocs and coalitions cannot give real guarantees of security and urged the leaders of the CSCE countries to create a full-fledged pan-European organization with a reliable legal base. Russia believes, he stressed, that the basis of this activity must be the jointly formulated "Program for Europe's Path into the 21st Century." The essence of that program is the creation of an all-embracing European security system. The CSCE is "intended to be a strong and effective instrument for peace, stability, and democracy."

This path is not easy, the Russian head of state pointed out, but it must not be long either. The participants in the meeting should meet again within two years to discuss and approve a model for the security of the Europe of the future. Our country's viewpoint is that the pan-European security system could be based on a strong fabric of bilateral agreements on good-neighborliness and cooperation among the European countries in all spheres. There must also be mutual cross-guarantees of security for individual states or groups of states. Pan-European institutions could be created on such a basis. Their task is to resolve disputes and prevent conflicts or settle them at an early stage.

Boris Yeltsin expressed the opinion that the decisions adopted at the CSCE forum are a good basis for joint work for the sake of a stable and democratic Europe. For the first time a basis is being laid for a single area in the military sphere which will embrace a considerable part of three continents and the world's oceans. And the "Code of Conduct of the States in the Military-Political Sphere," which is expected to be adopted today, enshrines an important principle of the functioning of rule-of-law states: democratic political control of the armed forces and of their use. Russia for its part fully supports this code.

After recalling that Russia and NATO today are not adversaries but partners, the Russian leader stated that the plans to expand the North Atlantic alliance could create new points of demarcation instead of bringing European unity closer. The reliability of the CSCE will depend on the interaction of all European organizations and forums—the CIS, NATO, the Western European Union, the EU, the Council of Europe, and others—in the common interest. The CIS is playing an ever-increasing role in Europe's life, but within the CIS framework there is no intention of creating a new bloc in opposition to anyone at all. Such is the CIS peoples' desire, which Boris Yeltsin expressed at the Budapest summit in his capacity as chairman of the CIS Heads of State Council.

I have been able to set out only a few of the main provisions of the Russian President's speech in this report. Clearly it will be necessary to return to that speech to analyze and assess its content. But I can tell from my colleagues' initial reactions that it has made a great impression.

Meanwhile the leaders of the CSCE member countries are continuing to deliver their speeches in the Palace of Congresses here in Budapest. The results of the meeting will be dealt with in a further report.

Army Paper Upbeat in Assessment of Budapest Summit

MM0712120594 Moscow KRASNAYA ZVEZDA in Russian 7 Dec 94 p 3

[Article by Vladimir Kuzar: "Meeting in Budapest Over. START-I Treaty Enters into Force"]

[FBIS Translated Text] Budapest, 6 Dec—The meeting of CSCE heads of state and government ended in Budapest Tuesday [6 December]. From the platform of this forum speakers gave assessments of the present-day situation on the continent, voiced their thoughts about the prospects for its development, and made various suggestions on how to reliably ensure stability and effective security. There were quite a few ideas expressed on enhancing the CSCE's authority and role.

Of course, different viewpoints were expressed. This was shown in its most concentrated form in the speeches by Russian President Boris Yeltsin and Bill Clinton, head of the Washington administration. I outlined the main tenets of the Russian leader's speech in my report yesterday. As for the U.S. President, in essence his speech was an attempt to extol the role of NATO and, accordingly, play down the significance of the CSCE for Europe's future. This was shown among other things in the fact that Bill Clinton actually not only justified but actually welcomed the North Atlantic bloc's expansion.

Such a position was bound to produce a reaction from the Russian president. He was forced to remind his audience that the NATO expansion plans could create new points of demarcation instead of bringing the era of European unity closer. Even before Europe has managed to rid itself of the Cold War legacy it is running the risk of burdening itself with a "cold peace," Boris Yeltsin noted.

Russia's firm approach to the NATO expansion problem, so clearly formulated at the Budapest meeting, provoked a storm of responses. Reading through foreign press reports here I was amazed to find, for example, the assertion in the French newspaper LA CROIX that this meeting is taking place in an atmosphere "reminiscent of Cold War times" because Russia has "raised the stakes." Clearly there is something wrong with the logic of that newspaper's authors: After all, it is not our country which put forward plans for the accelerated expansion of NATO in Brussels and Budapest. It is the leading powers of that alliance, primarily the United States, which have taken that path.

The viewpoint expressed by LA CROIX was then transmitted as if to order by many other Western mass media organs. They refuse to understand that Russia regards the CSCE as the leading organization in ensuring European security, whereas the United States and its NATO allies would prefer to reduce the CSCE's role to that of a debating society.

Here in Budapest you feel particularly clearly that we are on the verge of different times, when we can overcome confrontation and, furthermore, confrontation in that most dangerous and complex area—the nuclear sphere. On Monday I witnessed the impressive ceremony in which the presidents of Russia, the United States, Ukraine, which that same day officially affiliated to the Nuclear Nonproliferation Treaty, Belorussia [Belarus], and Kazakhstan signed the protocol on exchanging START-I instruments of ratification. This act marked the Treaty's entry into force. At the same time the presidents of Russia, Britain, and the United States signed memorandums guaranteeing the security of Ukraine, Belorussia, and Kazakhstan.

There is every reason for claiming that this ceremony was a turning point in the reduction of the nuclear threat. Now there is the prospect of the ratification of a new and even more radical agreement on the reduction of strategic nuclear arms—START-II. It is no exaggeration to say that we are on the verge of a new era of moving away from nuclear confrontation.

Now, as these lines are being sent, everything is ready in the Palace of Congresses in the Hungarian capital for the signing of the Political Declaration and the other documents approved at the meeting of leaders of the CSCE member countries. The newspaper's tight publication deadline prevents me from dwelling in detail on a description of these documents today. But it will be necessary to return to them more than once. I must mention, however, that it has already been decided in principle that on 1 January next year the CSCE will be renamed the Organization for Security and Cooperation in Europe (OSCE) and that the next meeting of heads of states and governments of what will then be the OSCE member countries will be held in Lisbon in 1996.

Yeltsin: Clinton Not Completely Triumphant at CSCE

LD0612152094 Moscow Ostankino Television First Channel Network in Russian 1352 GMT 6 Dec 94

[Video interview with President Boris Yeltsin by unidentified correspondent in Budapest on 6 December; from the "Novosti" newscast—recorded]

[FBIS Translated Text] Russian President Boris Yeltsin has returned to Moscow from Budapest, where the CSCE summit has ended with the adoption of final documents. Much has already been said about the differing positions at the meeting, and I am sure there will be more discussion. Our correspondent met the Russian president just before he flew out of the Hungarian capital.

[Unidentified correspondent] We correspondents in the corridors here feel that the United States is the unofficial boss of the CSCE. We get this impression seeing what advantages some of our colleagues have during work here. And Bill Clinton left triumphant today. Is this the wrong impression?

[Yeltsin] No. There is some truth in this. And then, did you take note of one thing I said—that the world's fate cannot be decided by one capital. I hope everyone understood which capital I was referring to.

On the other hand, for example, Clinton was very keen to open and chair a mini-summit—Russia, the United States, Great Britain, Ukraine, Kazakhstan, and Belarus—over the nuclear non-proliferation issue and the signing of treaties, etc. However, though he was extremely keen he did not succeed. So he did not depart completely triumphant.

U.S. Figures Comment on Yeltsin's CSCE Stand

LD0612124694 Moscow ITAR-TASS in English 1234 GMT 6 Dec 94

[Reports By Washington ITAR-TASS correspondent Arkadiy Sidoruk and New York ITAR-TASS correspondent Igor Borisenko]

[FBIS Transcribed Text] Washington December 6 TASS—Russia's president warns justifiably that the plans to expand NATO may lead to "cold peace" in the European continent and calls for working out jointly a programme for Europe on the transition to the 21th century. Retired Rear-Admiral Eugene Carroll, deputy director of Washington-based Center for Defense Information, told this to ITAR- TASS.

The expansion of the area of NATO's activity to the east, to Russian borders would lead to the revival of the spirit of confrontation, Carroll said. The North Atlantic Alliance is largely a leftover from the cold war, which has done vast damage to Europe. It is now necessary to exert every effort to put an end to this negative legacy and to establish more constructive relations in Europe, Carroll said. He said that using the military alliance to this end would only be an obstacle to solving European problems.

Carroll went along with President Yeltsin's opinion that common European institutions should become effective instruments of peace, stability and democracy in Europe.

The U.S. rear-admiral who commanded a task nuclear force of the U.S. Navy in the Mediterranean in the fifties said that if he were a Russian general he would not be overjoyed either at a possible spread of NATO to the east. He believes the very fact of planning military operations against "some force" and of holding joint exercises is a reason for concern. In this case one wishes to know what it will mean if almost all European countries, except for Russia, become NATO members.

New York December 6—The questions of NATO's spread to the east and of the consolidation of the CSCE are interrelated, General William Odom, former director of the U.S. National Security Agency, now a professor at Yale University, told ITAR-TASS. Commenting on the speeches of Russian President Boris Yeltsin and President of the United States Bill Clinton at the CSCE summit in Budapest, Odom expressed the opinion that a definite consolidation of the CSCE is important to overall security in Europe.

NATO's expansion should supplement this process, preventing instability in the region, he said. Protection against external menace is not the point. In this connection he noted that such consolidation of stability in eastern Europe is objectively in Russia's interests.

He said there is only one problem posed by NATO's expansion further east, including Russia. NATO would simply be unable to absorb them all, the general said. In addition, Russia is a huge and powerful country even without the former Union republics and it is obliged to play a role in the world arena going far beyong NATO's framework. There must be very close cooperation with Russia in CSCE framework. It would be preferable for Russia to play the main role in the CSCE, a global role, than merely to be part of NATO. But this matter is for Russians to decide, the general said.

He said he would not speed up the process of NATO's expansion if he were the mastermind of the politics.

There was certain hope that Russia can assess NATO's expansion as the consolidation of stability. But this has not happened, Richard Judy, professor of Hudson Institute told ITAR-TASS, commenting on the Budapest summit of the CSCE.

Until now NATO's expansion through the Partnership for Peace programme was being implemented very cautiously so as not to cause concern of any of the interested parties. However, one gets the impression that the Russian Government firmly opposes the plans to expand NATO.

Regarding security of ex-Soviet republics, except for Baltic states, Professor Judy said these matters should be decided in the framework of the Commonwealth of Independent States (CIS). He said NATO cannot provide effective enough guarantees for security of Ukraine, let alone of the Caucasus.

As regards Baltic states, they could consolidate ties in the security area with other Baltic countries, he said. Professor Judy believes that NATO and the CIS should establish goodneighbourly relations and should not be viewed as two opposing blocs.

Clinton Could Sacrifice 'Main Political Asset' at Home

MM0712113994 Moscow IZVESTIYA in Russian 7 Dec 94 p 3

[Report by Vladimir Nadein: "Clinton Has Rushed From Europe Back Home, Where Things Are Even More Terrible and Hotter"]

[FBIS Translated Excerpt] Washington—In Europe Bill Clinton was clearly not in the mood for Europe. Slipups in the former Yugoslavia, disagreements with European members of NATO—these and other global problems paled in the face of the apparently minor but in fact chillingly sinister fuss at home. [passage omitted]

While the United States and the three major nuclear fragments of the USSR were in Budapest signing the START-I Treaty—a once great treaty, but which almost immediately lost practical significance at home, in

Washington, where the triumphant legislators from the victorious Republican Party were electing the raving [neistovyy] Newt Gingrich as their leader. [passage omitted]

In her husband's absence Hillary Clinton mildly remarked to the bully [zadira] Gingrich that it is not good to fall out, even over trifles. Some Democratic Party activists are planning a detailed rebuff for the Republicans.

But it will take a lot of work to rebuff them. Bill Clinton has already had to announce his intention of increasing the military budget by $25 billion. An impressive amount, even if the program is designed to cover six years and over the next two years there will be virtually no increase, with the main expenditure envisaged later, after the presidential election. During the election campaign Bill Clinton demonstrated very convincingly the incompatibility of lowering taxes and raising defense spending; now the president has himself included both things in his program.

These things can be combined on one condition—that the budget deficit is increased. In order to win the coming election Bill Clinton will quite probably be forced to sacrifice his main political asset, the main difference between his policy and the wasteful "Reaganomics," which seemed to have been destroyed, but has suddenly risen from the ashes. [passage omitted]

U.S. Strengthening Business Ties with Urals Region

MM0612151594 Moscow ROSSIYSKIYE VESTI in Russian 6 Dec 94 p 3

[Report by Vladimir Stakheyev under "Partnership" rubric: "Americans Open Up Urals..."]

[FBIS Translated Text] Yekaterinburg—A U.S. Information Center has opened in Yekaterinburg. Speaking at a ceremony devoted to the event, U.S. Ambassador to Russia Thomas Pickering noted that cutting ribbons in the capital of the Urals is a pleasant tradition for him. Only nine months ago he opened the U.S. Consulate General in Yekaterinburg, the second one in Russia, incidentally, after St. Petersburg. The Urals inhabitants are also actively "developing" the United States. Around 100 Yekaterinburgers have visited America in 1994 as part of a cultural exchange.

The American business world is planning to consolidate its position in the Urals. The United States has already granted Uralmash a loan of $13.5 million. Preparations are currently under way for a meeting in Moscow of Yekaterinburg entrepreneurs and representatives of American big business. The Urals are also expecting a visit from a group of presidents of world-famous U.S. firms and companies.

Political Issues

Yeltsin Appoints Yegorov Deputy Prime Minister

LD0712115994 Moscow ITAR-TASS in English 1154 GMT 7 Dec 94

[FBIS Transcribed Text] Moscow December 7 TASS—President Boris Yeltsin appointed on Wednesday Nikolay Yegorov, minister for nationalities and regional policy, deputy chairman of the Russian Government, ITAR-TASS learnt from the Russian president's press service.

Yeltsin Tables North Caucasus Amnesty Draft

LD0612182594 Moscow ITAR-TASS World Service in Russian 1707 GMT 6 Dec 94

[FBIS Translated Text] Moscow, 6 Dec—Boris Yeltsin has tabled for examination by the State Duma a draft resolution "On the declaration of an amnesty for persons who took part in the unlawful deeds connected with the armed conflicts on North Caucasus territory."

The press service of the president has announced that it is proposed to declare the amnesty "for the purpose of national reconciliation and reaching civil peace and accord."

The draft document does not name the specific conflicts whose participants it is proposed to amnesty.

Dudayev Solves 'Problem' Through Grachev

LD0612171294 Moscow ITAR-TASS in English 1638 GMT 6 Dec 94

[By unidentified ITAR-TASS correspondent]

[FBIS Transcribed Text] Ordzhonikidzevskaya (Ingushetia) December 6 TASS—Russian Defence Minister Pavel Grachev and Chechen President Dzhokhar Dudayev said on Tuesday that they were satisfied with their talks which took place today in the Cossack settlement of Ordzhonikidzevskaya in Ingushetia.

Grachev told reporters that although "problems demanding political elaboration exist," "both being soldiers, we (Dudayev and himself) understood each other very well," and the problem of Russian prisoners in Chechnya "will be solved within next few days."

The Chechen leader, in turn, promised that this problem would be solved exclusively thorough Grachev.

Grachev said that he would report on his North Caucasian trip personally to President Boris Yeltsin on Wednesday and after that "the final conclusion on Russia's stance towards Chechnya" would be achieved at a sitting of the Securuty Concil of the Russian Federation.

Russian Security Council Discusses Chechnya

LD0712122394 Moscow ITAR-TASS World Service in Russian 1154 GMT 7 Dec 94

[FBIS Translated Text] Moscow, 7 Dec—A session of the Russian Federation Security Council today examined the question of how measures to restore constitutional legality, law and order, and peace in Chechnya are being fulfilled. The session, which was chaired by Boris Yeltsin, heard reports by ministers who have returned from the northern Caucasus.

An announcement by the head of state's press service noted that Boris Yeltsin "demanded scrupulous observance of the constitutional requirements and laws of the Russian Federation in order to protect of rights and liberties of citizens, and public order, and to thwart the activities of illegal armed formations and prevent the inflaming of ethnic and religious strife."

Key Chechnya Figures Plan 'Civilized Dialogue'

LD0612183094 Moscow ITAR-TASS World Service in Russian 1633 GMT 6 Dec 94

[FBIS Translated Text] Moscow, 6 Dec (ITAR-TASS)—Dzhokhar Dudayev, Umar Avturkhanov, Salambek Khadzhiyev, and Ruslan Khasbulatov have, as "politicians of Chechnya," been invited by Ramazan Abdulatipov, deputy Chairman of the Federation Council, on his own initiative to a session of the council. Tentatively, the question of the situation in the Chechen Republic will be debated on 7 December.

In his invitation telegram, obtained by ITAR-TASS from the Press Center of the Federation Council, Abdulatipov writes:

"I have always considered that all disputes and contradictions can and should be overcome in the course of talks and the agreement of mutually-acceptable solutions."

He goes on to say that, in his opinion the situation in Chechnya and around it is being used for selfish aims by various domestic and foreign intriguers against the interests of the peoples of Chechnya, the Caucasus, and the whole of Russia, and he calls on those invited to begin a civilized dialogue instead of statements and actions that cause mutual disgrace.

Security Council Announces Chechen Measures

LD0712124394 Moscow ITAR-TASS World Service in Russian 1203 GMT 7 Dec 94

[FBIS Translated Text] Moscow, 7 Dec—The following statement from the Russian Federation Security Council was read out today at the press center of the Federation Council:

"In connection with the events on the territory of the Chechen Republic, the Security Council draws the attention of all the mass media and all the public in the Russian Federation to the fact that there is no such thing as a conflict between Chechnya and Russia. There is only a struggle for power pursued by illegal armed groups in this part of the Russian Federation. Armed clashes with mass human casualties must cease immediately and all the warring armed groups must be outlawed. At the same time it is necessary to take all constitutional measures aimed at disarming and eliminating illegal armed groups.

"Nikolay Dmitriyevich Yegorov, who was today appointed a deputy chairman of the government of the Russian Federation by a presidential edict, has been put in charge of coordinating the actions of all the government structures to restore constitutional order in the Chechen Republic."

The Security Council has instructed Vladimir Shumeyko to report on its meeting at the session of the Federation Council this evening. The chamber is to discuss the situation in Chechnya behind closed doors.

Yeltsin Orders Dismissal of Justice Minister

LD0712091794 Moscow ITAR-TASS in English 0905 GMT 7 Dec 94

[FBIS Transcribed Text] Moscow December 7 TASS—President Boris Yeltsin signed a decree in Wednesday dismissing Yuriy Kalmykov from his post of Russia's justice minister, the presidential press service told ITAR-TASS.

Legal Administration on Yeltsin Weapons Edict

MM0712103894 Moscow ROSSIYSKIYE VESTI in Russian 7 Dec 94 p 1

["Official Explanation" by the Russian Federation President's State Legal Administration: "How To Interpret Point No. 1 of the Edict of the Russian Federation President of 1 December 1994 'On Certain Measures To Strengthen Law and Order in the North Caucasus'"]

[FBIS Translated Text] In accordance with the instructions of the Russian Federation president and on the basis of Edict of the Russian Federation President No. 363 of 4 April 1992, the Russian Federation President's State Legal Administration explains:

1. In Point 1 of Edict of the Russian Federation President No. 2142 of 1 December 1994 "On Certain Measures To Strengthen Law and Order in the North Caucasus," "persons having laid down their weapons" means:

members of armed formations (armed associations, detachments, volunteer militias, self-defense detachments, and other organized armed groups) not provided for in federal legislation and individuals or groups of persons not belonging to such formations who have ceased the use of weapons and (or) surrendered the weapons in their possession or indicated their whereabouts to internal affairs organs, counterintelligence organs, organs of the Russian Federation Prosecutor's Office, military commandants' offices, troop units of the Armed Forces or other troops and troop formations of the Russian Federation, or their authorized representatives;

persons not in possession of weapons who formerly belonged to the aforesaid armed formations but have ceased participating in their activity;

persons who have not participated in armed clashes and have voluntarily surrendered weapons being held by them without the relevant permit stipulated under federal legislation to internal affairs organs, counterintelligence organs, organs of the Russian Federation Prosecutor's Office, military commandants' offices, troop units of the Armed Forces or other troops and troop formations of the Russian Federation, or their authorized representatives.

2. In Point 1 of Edict of the Russian Federation President No. 2142 of 1 December 1994 "On Certain Measures To Strengthen Law and Order in the North Caucasus," "weapons" means arms and military equipment in the armory of the Armed Forces or other troops and troop formations of the Russian Federation, explosives, or other types of weapons listed in the Russian Federation Law "On Weapons."

3. Edict of the Russian Federation President No. 2142 of 1 December 1994 "On Certain Measures To Strengthen Law and Order in the North Caucasus" applies to persons laying down their weapons by 00 hours on 15 December 1994 (Moscow time).

[signed] The Russian Federation President's State Legal Administration.

Federation Council Appoints Constitutional Judge

LD0612142494 Moscow ITAR-TASS in English 1329 GMT 6 Dec 94

[By ITAR-TASS parliamentary correspondent Luydmila Yermakova]

[FBIS Transcribed Text] Moscow December 6 TASS—The Russian Federation Council succeeded to appoint one more constitutional judge thus leaving only one vacant post in the court.

Vladimir Strekozov, a military lawyer and deputy head of the military economic, financial and law academy, has won 100 votes in the upper chamber on Tuesday, according to preliminary results of the vote by a secret ballot. 90 votes are necessary to get approved.

The second candidate, Sergey Vitsin, also a military lawyer and head of a desk of the Moscow Militia Higher School, got only 78 votes, according to preliminary results.

Both candidates were nominated by the Russian president. A total of 19 judges are to work in the Constitutional Court of Russia.

NRPR Cites 'American' Lifestyle as Enemy

MK0612123094 Moscow SEGODNYA in Russian 6 Dec 94 p 2

[Report by Vadim Tyagniryadno report from St. Petersburg in the "Congress" column: "The National-Republicans Promise To Move to Power Through Elections. NRPR Leader Nikolay Lysenko, Who Was Elected to the State Duma, Has Been Dismissed"]

[FBIS Translated Text] In St. Petersburg the fourth emergency congress of the National-Republican Party of Russia [NRPR] took place, which approved changes in the NRPR leadership. Representatives of regional cells supported the Central Council decision and dismissed the party leader, State Duma deputy Nikolay Lysenko, accusing him of disrupting party work and embezzling party funds. "In helping him to become a deputy, we naturally hoped to receive certain dividends but ended up with nothing," NRPR Central Council member Sergey Rybnikov said. According to him, after he was elected to the State Duma, Lysenko shirked his organizational functions, as a result of which a crisis occurred in the NRPR: The party began to fall apart while its hitherto solid ranks began to thin. Central Council members were outraged that in this situation their chairman "spent 40 million rubles from the party treasury on his own campaign." The last straw was the fact that Lysenko proclaimed himself a national-social-democrat. "Lysenko's behavior is a disgrace to the national movement," Rybnikov concluded.

The party's new leader became NRPR Central Council member Yuriy Belyayev, former militia officer and former deputy city councillor who "made himself famous" by organizing the creation and transfer to Yugoslavia of volunteer units fighting on the Serbian side. He was even arrested for this by St. Petersburg special services but 10 days later the Prosecutor's Office, failing to formulate charges, had to release him. Recently Belyayev, being an NRPR Central Council member, was also chairman of a semi-illusory National-Social Party, which has now merged with the NRPR.

"We are nationalists and proud of it," the new leader said, presenting to the congress program guidelines for the near future. He indicated that the NRPR is not going to abandon its nationalist positions, while its main enemy is "world imperialism implementing the plans of dismembering Russia." Both Belyayev and other speakers, as usual, could not restrain themselves from bellicose appeals and threats toward the government and the mass media, which was apparently considerably provoked by the presence in the hall of numerous uniformed activists. At the same time, NRPR leaders are obviously trying to ensure that their party be perceived as quite a respectable organization. They maintain that they intend to move to power by participating in the upcoming presidential, federal parliament, and local government elections. Preparations for elections is the main tactical task, and local party organizations were called upon to use all their efforts to address it. Purges in the national-republican ranks will also continue: The NRPR- controlled "sports-patriotic" organization Russian Legion has been tasked with exposing and punishing internal enemies.

The following day, at NRPR's initiative, a general conference of national-patriots was held which was called the second Congress of Russian Nationalists. It was attended by 15 organizations. The agenda included a painful issue: the unification of nationalist forces. It transpired that there are many differences between the congress participants—both ideological and tactical. Therefore it was decided to unite by identifying a common enemy which, to general applause, was established as the American way of life, Marxism-Leninism, and the "West's agents who have occupied Russia." In the end the congress adopted a long declaration proclaiming the need to create a single center and adopt general trappings, and also maintain common principles.

'Observers' Link FCS Chief Firing to Politics

MM0612141994 Moscow KOMSOMOLSKAYA PRAVDA in Russian 6 Dec 94 p 1

[Report by Aleksandr Gamov: "Savostyanov Leaves Lubyanka"]

[FBIS Translated Text] Along with other documents of paramount importance, Boris Yeltsin, meeting in Budapest, also signed an edict releasing Yevgeniy Savostyanov, chief of the Russian Federation Federal Counterintelligence Service [FCS] for Moscow and Moscow Oblast and deputy director of the Russian Federation FCS, from his duties. And this was done so hastily that the initiators of the presidential edict did not have time to think up an acceptable formula to explain why the head of the capital's counterintelligence service had suddenly lost his post. Even traditional justifications along the lines of "at his own request" or "in connection with his reassignment" were, judging by everything, inappropriate in this case. Naturally, all this could not fail to prompt some far-reaching conclusions—albeit totally based on conjecture.

Some of the media rushed to link Savostyanov's dismissal with the downfall of the "FCS mission" in Chechnya, since, allegedly, he was the man in charge of Russian counterintelligence in the region. But this theory seems unlikely. The main Moscow counterintelligence officer was unlikely to have had a leading role in the "Chechnya saga." And even then the "FCS mission" there is still by no means over, and the "investigation into the flights" [razbor poletov] lies ahead....

The only reason for dismissing Savostyanov in connection with the Chechnya events would be if the shelling in Groznyy had had repercussions in Moscow. But in the capital, as the public was told by Mayor Luzhkov and Savostyanov himself, counterintelligence officers have "everything in hand" and, thank God, things are even quiet at the Lubyanka.

The FCS Public Relations Center is "not authorized" to comment on this strange dismissal, and nor is the president's press service shedding any light on it for the time being. Meanwhile certain observers believe that the initiative in removing Savostyanov came from presidential structures and was "politically motivated." This theory looks the more convincing in the context of recent Moscow events.

Dismissal Brings Many Theories

MK0612103094 Moscow NEZAVISIMAYA GAZETA in Russian 6 Dec 94 p 3

[Report by Oleg Rubnikovich under the "Resignation" rubric: "Presidential Special Services Show Who Is in Control in Moscow. Following Friday's Incident Vladimir Gusinskiy Urgently Sent His Wife and Son Abroad"]

[FBIS Translated Text] On 2 December the Russian Federation president signed a laconic but none the less strange edict, "On Removing From Office the Deputy FCS [Federal Counterintelligence Service] Director, FCS Moscow and Moscow Oblast Directorate Chief Yevgeniy Savostyanov." Boris Yeltsin did not deem it necessary to make public the reasons for this step.

There is no dearth of unofficial explanations, as always happens in such cases. The first thing the "state security organs' director-manager," as Yevgeniy Savostyanov was fond of calling himself, could be made guilty of were his slip-ups in the "Chechen sector," of which he was in charge. It is now coming to light that it was the Federal Counterintelligence Service that secretly recruited volunteers in the Russian Army to be infiltrated into Chechnya.

After some time a second explanation prevailed, which links Yevgeniy Savostyanov's discharge with the scandal surrounding the "Most" Group. This must lie precisely in what ITAR-TASS so crudely hinted at when on 3 December it issued a report "from trustworthy sources" saying that Russian special services carried out an operation in the City Hall building in Novyy Arbat on 2 December to identify and seize documents confirming that a number of commercial banks were implicated in what happened on "Black Tuesday." Discovered in the process and investigated were "Most-Bank" chiefs' links with corrupt employees of state power bodies, the Moscow government, and a number of "power" structures. This was followed right away by the news of Yevgeniy Savostyanov's being relieved of his office.

Rather characteristically, the dismissal edict came several hours after Mr. Savostyanov came to Novyy Arbat in person to look into the incident. According to some reports, his subordinates clashed with members of the Russian presidential special services, resulting in a bullet hole in the car of General Barsukov, in charge of the Main Security Administration.

Yet another piece of information, on merging the Moscow and Moscow Oblast FCS Directorate with the Russian Main Protection Directorate, began to spread yesterday. Those in the FCS central apparatus are calling up the Moscow Administration to ask what it should be called now. The press services of the "merging" structures, however, have denied this information, while the Main Security Administration totally dismissed it as gibberish. The Moscow Directorate, it was stated, is now headed by FCS Deputy Director Nikolay Kovalev.

In the meantime, one can assume that the disgraced Yevgeniy Savostyanov does not exactly mourn the loss of the elevated position, because he handed in a request to resign as early as May 1994 owing to his intention to go into active politics. At that time, however, the request was pigeonholed and, quite probably, it is this piece of paper that the president has signed.

Journalists Protest Official 'Disinformation'

LD0612130194 Moscow ITAR-TASS in English 1213 GMT 6 Dec 94

[FBIS Transcribed Text] Moscow December 6 TASS—"The Russian society encountered, over the last week, a defiant unwillingness of supreme bodies of state authority to give it trustworthy information on their activities. Moreover, downright lies become 'a distinctive style' of the government's relations with people," says a joint statement circulated here on Tuesday by the Russian Union of Journalists, the Committee in Defence of the Freedom of Speech and Journalists' Rights as well as the Fund in Defence of Openness.

The journalist organisations have in mind, above all, the events in Chechnya and the operation of secret services against the Most bank in Moscow.

"The matter in question is not only a flow of differing and often incompatible information coming from the offices of the president and the government, ministers and power-wielding departments," the document says.

"We would not like anybody to interpret this fact as a call for another 'centralisation' of information coming from authorities. Another thing is much more dangerous: the state, monopolising the right to give information on events agitating the country, showed both utter inability to fulfill assumed functions and scandalous disregard for truth."

"As a result, the society clearly sees uncontrolled actions by secret services as well as their low professionalism, judging by the latest events, which borders on provocation," the statement notes.

"The situation of uncertainty and full mistrust of state institutions can be advantageous only for those who are unable and do not wish to live in a democratic and free country."

"We demand respect for the right of citizens to receive timely and truthful information. we demand an end to a deceit humiliating us which comes in abundance from official sources," the statement stresses.

"We demand a public explanation from those who are guilty of this deceit".

Bankers on 'Most' Raid, Economic 'Damage'

MK0712105094 Moscow SEGODNYA in Russian 7 Dec 94 p 2

[Report by Boris Aleksandrov under the "Lawlessness" rubric: "Action by Special Services Did Russia 'Immense

Economic Damage.' The Association of Russian Banks Sees the Precedent as a Symptom"]

[FBIS Translated Text] At yesterday's news conference, Mr. Yegorov, chairman of the Association of Russian Banks [ARB], said that the sealing of the City Hall building and forcible measures against employees of Most Group were not an isolated action. Last week too, the power agencies resorted to unlawful actions, albeit on a smaller scale, against the Russian Credit and First Professional banks. According to Mr. Yegorov, "a string of events is beginning to form a trend." The ARB president said that the association leaders met with Mr. Filatov, presidential administration chief, and presidential advisers Messrs. Livshits and Satarov. By accounts of those who attended the meeting, they "showed understanding" for bankers' fears that the state might be at a dangerous crossroads where arbitrariness and the law of the jungle could set in in the country.

According to Mr. Gusinskiy, chief of Most Group, the main danger is that for two days the country lived in a flurry of theories but did not have trustworthy information; for two days officials failed to give explanations about developments. Although the prosecutor's office initiated criminal proceedings under Article 171, part 2 (an ultra vires act involving violence), Mr. Gusinskiy does not cherish "illusions" about its outcome: "Such high forces are involved that something is bound to happen."

According to Mr. Vinogradov, ARB vice president, the action by the special services has done "Russia immense economic damage." International repercussions of the goings-on are such that Western creditors are now unlikely to finance the budget deficit for 1995. They are just as unlikely to invest in government treasury bonds issued by the Russian Federation Finance Ministry. The only dignified way out of this situation for the authorities would be publicly, lawfully, and openly to conduct an investigation and strictly punish those responsible. "This will be a touchstone for the president," Mr. Vinogradov summed up, "that will show whether Russia is advancing to a civil society based on the rule of law and whether Boris Yeltsin is ready to be a guardian of democracy."

Mr. Yegorov said that Boris Yeltsin might meet with ARB representatives within the next few days.

Raid Seen as 'Warning'

MK0612104094 Moscow NEZAVISIMAYA GAZETA in Russian 6 Dec 94 p 1

[Report by Vadim Yegorov in the "Confidential" column under general headline: "Presidential Special Services Show Who Is in Control in Moscow. Following Friday's Incident Vladimir Gusinskiy Urgently Sent His Wife and Son Abroad"]

[FBIS Translated Text] According to some informed sources, the 2 December forcible action by the Russian president's security service and the Russian Federation Main Protection Directorate against the Most group was planned and carried out on personal directive by Boris Yeltsin following his recent briefing via General Aleksandr Korzhakov's memo.

The memo, citing the results of operational-technical procedures, maintained that [Most-Bank head] Vladimir Gusinskiy and politicians connected with him had planned to initiate the appointment of Colonel General Boris Gromov to the post of Russian defense minister so that the former 40th Army commander could run for the presidency in 1996 as a nationwide political figure.

This circumstance accounts for the actual stripping of Gen. Gromov of his functions as deputy defense minister, and also for the demonstratively rough treatment by presidential special service officers of Most security personnel. Therefore Vladimir Gusinskiy has been shown clearly that even his close ties with Moscow [city] authorities are no guarantee against some bad problems if he becomes an obstacle in implementing Boris Yeltsin's plans for the very near future.

Economic Affairs

Panskov, IMF Discuss 1995 Draft Budget

LD0612120194 Moscow INTERFAX in English 1113 GMT 6 Dec 94

[FBIS Transcribed Text] Russian Finance Minister Vladimir Panskov and First Deputy Managing Director of the International Monetary Fund Stanley Fisher discussed the draft of the 1995 Russian federal budget in Moscow Tuesday, a high-ranking ministry official told the Financial Information Agency.

The official said the IMF has certain doubts about the reality of the revenues section, in particular concerning the effectiveness of tax-collecting. As for the spending, the IMF has practically nothing against it, he said.

During the meeting the sides also exchanged opinions on the size of the budget deficit. The IMF believes it is realistic to speak of a level of 7 percent of the gross domestic product, while the Russian side tends to speak of 8 to 10 percent.

The ministry spokesman had the impression that serious work remains to be done on the budget draft while on the whole things are going in a positive direction.

Soskovets Allocates Defense Repayment Funds

LD0612220494 Moscow Radiostantsiya Ekho Moskvy in Russian 1900 GMT 6 Dec 94

[FBIS Translated Text] In December, the government is to allocate to the Defense Ministry 5 trillion rubles for repayment of debts to defense enterprises, First Deputy Prime Minister Oleg Soskovets has announced. Soskovets confirmed the cabinet's intention of remitting throughout the country overall pay arrears to servicemen and workers in budget organizations by the end of the year.

Recent Wages Rise, Living Standards Fall

MM0612143594 Moscow TRUD in Russian 6 Dec 94 p 3

[Article by Political Observer Anatoliy Golovachev: "Wages Completely Failing to Keep Pace with Prices"]

[FBIS Translated Text] In October, according to figures just received from the Russian Federation State Committee for Statistics, the average wage in the country rose by just 4.7 percent to 265,000 rubles [R]. In terms of growth rates, wages rose one-third as fast as prices, which surged ahead by a full 15 percent. Even when other incomes are taken into account, the living standard of many Russians has fallen even further.

So why have prices "disobeyed" the government again? Is it all the fault of "Black Tuesday"? Of course not. Money emission (that is, the pumping into the economy of "worthless" banknotes with no goods to back them up) reached the enormous level of R17.2 trillion over the 10 months. Another extremely alarming signal is the federal budget deficit for January through September, which amounted to 49 percent of total expenditure. However, the Law "On the Federal Budget for 1994" set the deficit ceiling at 36 percent of total expenditure. The conclusion, I think, is clear: The state is living beyond its means.

Once again, just as before the reforms began, a section of the population finds itself in possession of "hot" money. Admittedly, the situation is somewhat different now: There is no shortage of food. But you cannot save enough to buy a car (you can't keep up with prices and it isn't easy to protect yourself from criminals), and the savings bank gives 7 percent interest a month at a time when inflation is running at 15 percent (in Moscow it was 18.4 percent). "Hot" money, of course, causes prices to rise. And the poor are hit hardest by that. It is a good thing that dollars are diverting a considerable proportion of people's resources from the food and manufactured goods markets. In the 10 months the population **bought hard currency worth R39.2 trillion**. Meanwhile in October every fifth (!) ruble of all cash incomes was spent on hard currency. Even in those conditions, however, people still had R12.7 trillion in their hands, which represents one-third of the population's entire money incomes in October.

So the surprising thing is not that prices "surged ahead" in October and November but that this did not happen earlier. The bulk of the money issued goes to the comfortably off and the wealthy, while those in the poorest section of the population are left to "fend for themselves." The price rise will plunge them ever further into the abyss.

The wage picture in October is marked by a profound differentiation. Whereas in industry (as a whole) wages rose by 9.6 percent, in construction they rose by only 0.7 percent (customers have no money...). The rise in wages in health care and the spheres of culture and the arts was negligible. In agriculture wages fell by R10,000 and almost reached the poverty line. Light industry workers are not far behind agricultural workers in wage levels (R145,000). You even feel somewhat ashamed to mention these figures. Incidentally, the level of wages in Ivanovo Oblast is generally one of the lowest among the Russian regions.

In conclusion I shall name a few more of the country's regions where average wages in October did not rise but fell (there are 13 such regions in all): Bryansk, Orel, Ulyanovsk, and Penza Oblasts, Mordvinia, Chuvashia, Kalmykia, and Dagestan.... Prices are rising but wages are falling. According to some statistical accounts there ought to be more and more positive changes in the economy, while according to other sets of figures—for the social sphere—the number of problems is not going down.

In particular, the distressing problem of overdue wage payments continues to worsen. By 1 November the debt had risen a further 500 billion to R4.7 trillion. That does not take into account budget-funded organizations: The situation there is improving slightly—the state has reduced its wage debt from R1.8 trillion to R600 billion. But the total debt is R5.3 trillion. This enormous source of social tension is not diminishing.

Average Wage in October in sectors and regions of the country:

National economy as a whole	R265,000
All of industry	R283,000
Gas industry	R1,013,700
Light industry	R145,100
Machine building and metal working	R215,100
Oil industry	R620,100
Coal industry	R542,500
Agriculture	R134,800
Construction	R369,200
Transport	R411,200
Health care, physical culture, and social provision	R195,900
Education	R194,700
Culture and art	R162,600
Science and scientific services	R205,300
Credit and insurance	R446,200
Organs of administration	R318,100
Moscow	R347,700
Ivanovo Oblast	R155,700
Vladimir Oblast	R180,200
Bryansk Oblast	R165,900
Chukot Autonomous Okrug	R1,039,400
Magadan Oblast	R686,800
Kamchatka Oblast	R681,400
Tyumen Oblast	R665,500

Chernomyrdin Signs Fuel Export Suspension Decree

MM0612132394 Moscow ROSSIYSKAYA GAZETA in Russian 6 Dec 94 First Edition p 3

[Russian Federation Government Decree No. 1330 "On Suspending the Export of Fuel Oil Out of the Russian Federation," dated Moscow, 2 December 1994 and signed by Russian Federation Government Chairman V. Chernomyrdin]

[FBIS Translated Text] For the purposes of ensuring the Russian Federation's economic security and the needs of the domestic consumer market during the winter period the Russian Federation Government decrees:

1. The export of fuel oil out of the Russian Federation is to be suspended through 1 April 1995, including export under enterprises' and organizations' quotas, with the exception of deliveries made in fulfillment of intergovernmental agreements.

2. This decree comes into force on the day it is signed.

[Signed] V. Chernomyrdin, chairman of the Russian Federation Government.

Yurkov Sees Economic Recovery in Positive Light

LD0612192294 Moscow INTERFAX in English 1556 GMT 6 Dec 94

[FBIS Transcribed Text] The Russian economy is in a depression despite an increase in the industrial production by 2 percent in November against October, the chairman of the State Statistics Committee, Yuriy Yurkov, told a news conference Tuesday [6 December].

According to Yurkov, "to surmount this situation, a correct structural policy and active work to bring Russian manufacturers to the consumer market are needed."

Yurkov said that the share of shadow economy in the country's general domestic product was about 20 percent, while in Italy, where it is the highest in the world, it reaches only 13 percent. He pointed out that the biggest growth of the shadow economy was in the public service sector.

According to information for the first time collected by the State Customs Committee, Russian residents took abroad $500 million in September alone. This money was used by individuals to purchase goods abroad.

Yurkov also said that the share of individuals' incomes they used to purchase hard currency increased to 18 percent in November against the background of a significant decline of deposits with commercial banks.

Commenting on the prospects for Russia's economic development, Yurkov pointed out that "a real economic growth may start no earlier than in late 1995 - early 1996. However, the time when Russia will become a country with a normal market economy is still too far."

Chernomyrdin Considers Tariffs, Currency Controls

MK0612135094 Moscow KOMMERSANT-DAILY in Russian 6 Dec 94 p 3

[Report by Vadim Bardin: "The Keys to Regulation of Foreign Economic Activity in 1995 Have Not Been Fitted Yet"]

[FBIS Translated Text] On Saturday, 3 December, Viktor Chernomyrdin held a narrow conference on matters of foreign economic regulation in 1995. The prime minister is confronted with a fundamental choice: Either preserving non-tariff methods of export regulation, introducing administrative import controls and tightening currency regulation; or switching to predominantly tariff regulation of foreign economic activity. The first line is upheld by Vice Premier Oleg Davydov, and the second by First Vice Premier Anatoliy Chubays. Saturday, participants in the meeting reached a compromise only on the question of oil exports: They approved the idea of extending non-tariff regulation conditional on its modification.

Export Quotas To Be Replaced

There is no consensus in the government as to what the regulation of foreign economic activity should be like. The issue was raised by Oleg Davydov. After his appointment as vice premier, through his activity in upholding the institution of special exporters (primarily oil exporters) and if not the current oil export quotas and licenses, then at least "continued state regulation of oil export," he has placed in jeopardy the Russian Government obligations arising from the September memorandum to the World Bank. Davydov's arguments are serious but not new: Recalculated into dollars, as per 1 July 1994 domestic oil prices constituted 31 percent of world prices; and the abolition of non-tariff regulation could lead to price rivalry between Russian exporters.

Even with respect to oil export, however, the decisions of the Saturday meeting are dubious. The fate of special exporters was not discussed at all. As for quotas and licenses, which were preserved until the end of 1994, the compromise decision looks as follows: Next year export quota regulation will be transferred to the domestic market. The fact is that permission to export oil (in the form of current licenses or registration of export contracts) will be granted contingent on deliveries of oil or oil products to Russian consumers.

If linkage of export license to domestic quotas (with priority of domestic market deliveries) is elevated to directives, this will mean, first, the rapid approximation of domestic prices to world prices; second, the actual transfer of oil export control functions to the Fuel and Energy Ministry, which in no way guarantees an effective pricing policy; and, third, the recurrence of a low priority approach to export, which will narrow the possibilities for attracting both outside credits and foreign investments to Russia. The latter circumstance will definitely bring about various exemptions and breaks which, along with the confused routes for the movement of oil and oil products, can make nonsense of the idea itself.

To Be Continued

The Saturday meeting only gave the go-ahead to the elaboration of a single foreign economic regulation policy. The "etatists" in the Russian Government may not follow up on this achievement.

This conclusion is born out by the fact that in the dispute about the future regulation of Russian foreign economic activity, apart from the government "etatists" and "liberals," there is also a third force: the World Bank and the IMF. The fate of the federal budget considerably hinges on credit support for Russia on the part of these institutions. They also link their activity on the Russian market with a consistent liberalization of foreign economic ties. Therefore the plans for preserving non-tariff export limitations and extending them to imports (within the framework of a recently formed government commission on protection in foreign trade), as well as the idea of forced introduction of a 100-percent surrender of hard currency proceeds or a fixed exchange rate, have some fairly influential opponents.

Meanwhile the idea that the Central Bank should increase the normatives for the mandatory sale of foreign exchange (up to 100 percent) has been favored by Academician Nikolay Petrakov, who has become chief of the expert working group of the government nonpayments commission. On the other hand, that the "liberals" in the government have not as yet said their final word is seen from the draft appeal by the Russian Government to the World Bank endorsed by First Vice Premier Anatoliy Chubays and Deputy Finance Minister Andrey Vavilov, which in particular supports the abolition, as of 1995, of special exporters, export quotas, and licenses for oil and oil products.

Officials Discuss Budget Figures, Views Differ

MM0712101994 Moscow ROSSIYSKIYE VESTI in Russian 6 Dec 94 p 2

[Report by Olga Burkaleva: "Government and Duma Differ on Figures"]

[FBIS Translated Text] The conciliation commission to revise indicators of the draft federal budget for 1995 has begun its work.

Under a directive of State Duma Chairman Ivan Rybkin, 36 of its deputies have been included in the commission. Mikhail Zadornov, chairman of the Committee for the Budget, Taxes, Banks, and Finances, has been appointed cochairman of the commission. The commission's composition of 12 people has been approved by a government decree. They include Economy Minister Ye. Yasin, Tax Service leader V. Gusev, Labor Minister G. Melikyan, and others. Russian Federation Finance Minister V. Panskov is the commission's cochairman from the government side. A government decree has obliged its representatives to be guided when finalizing the budget by the budget policy concept approved by the government.

The first session discussed a revision of the parameters of the forecast for Russia's socioeconomic development in 1995, specifically the level of inflation, the extent of the slump in industrial production, the dollar rate, and the size and indexation of the minimum wage. When compiling the budget the government put down a fall in inflation to 1-2 percent per month. But according to the State Duma's calculations this indicator should be 3-5 percent per month. In the Duma's opinion the extent of the production slump will exceed the government-calculated indicators by 50 percent. According to the calculations of Duma committees the dollar rate in 1995 will likewise not be 3,200 rubles [R], as the government surmises, but between R3,500 and R4,200 to the dollar. In this context the legislative branch's representatives consider it necessary to carry out an indexation of the minimum wage not once a year, as the government proposes, but twice a year (from 1 July by a factor of 1.14). If inflation exceeds 3-5 percent per month, indexation must be carried out no less than three times during 1995.

There was also discussion of questions concerning the feasibility of the predicted earnings from privatization and income from foreign economic activity (export duties), the correctness of using Central Bank profits as a source of income for the federal budget, tax thresholds, and the revision of the budget's revenue element in connection with possible changes in the parameters of forecasts of Russia's socioeconomic development in 1995.

Former Minister Views Budget Crisis

MM0712093594 Moscow IZVESTIYA in Russian 6 Dec 94 p 2

[Article by Duma Deputy (and former Finance Minister) Boris Fedorov: "The Economy and Politics?"]

[FBIS Translated Text] The solemn session in the Kremlin to discuss economic policy and financial stabilization left the country indifferent.

We do indeed already know that **it is necessary to build a market and not a bazaar.**

We know that **Zaveryukha should not be made a scapegoat.**

We know that **they wanted the best, but things turned out as they always do.**

We know that ministers work and devote themselves to the job.

We know that when asked to "give, give," the premier says: **"I would, but where is the money to come from"**; and when asked **"Why do we need IMF credit?" he says: "Why not, if they are handing it out."**

We know all this, and the latest round of talk that financial stabilization will start in 1995 followed by an era of prosperity and boom does not elicit anything more than a smile. Perhaps we should first be told **why this very same stabilization did not begin in 1994 with the help of "nonmonetary methods" (remember the January 1994 statement), and why we could not do away with half-measures in 1994.**

You have noticed that radicalism increases once the situation reaches critical point, when an explosion is inevitable, when elections loom on the horizon and the time of accounting draws near.

In actual fact the situation is increasingly reminiscent of the late-Gorbachevian 1991:

The budget has been ruined by legal anarchy, taxes are rising but are not being collected, and over half of spending is covered by increasing the money supply. There is no political will to restore order in spending and implement tax reform.

Russia is bankrupted by foreign debt and is feverishly hunting for more credit to plug the holes. The budget includes $13 billion in foreign loans, and they want to raise the debt from $700 to $800 per capita. At the same time no one is saying how they intend to repay it (evidently on the lines of "apres nous le deluge"). Is there is even one normal person who believes that this is necessary?

The authorities are demonstrating an inability to carry out their obligations and helplessness in the face of the swindlers who are robbing citizens under the government's nose. The impression is it is not only advertising that can be bought....

In this situation it is unbecoming to feed us with promises about 1997; determined action must be demonstrated today.

It is well known what should be done and how. It is very gratifying that the president listened to this column's advice in 1994.

It was understood that the apparatus needs to be cut back, even though people have difficulty in believing that this is serious.

It was remembered that Chechnya is part of Russia and that Russian citizens are dying there every day. The Foreign Ministry is reminding the whole world that Chechnya is our internal affair. I do not understand why this could not have been done in 1992. Let us see how serious the authorities' intentions of restoring order are, or whether this will also end up as just paper promises, just words.

The premier has suddenly realized the need to cooperate with the parliament—albeit out of self-preservation rather than in the interests of the cause. Admittedly you cannot help the cause by creating special ministerial departments.

I would like to remind you that, in addition to the above three points, **there are several hundred more concrete proposals**, and I welcome even their partial implementation in Russia's interests.

For instance, the proposal to introduce tough financial discipline everywhere, from the Kremlin to the boondocks. And make the budget into a law. Cancel all ineffective spending and face up to society's problems. Implement tax reform. Catch bandits. Remember that we are a Federation, etc. This takes will, and at the moment that is hard to find.

The State Duma may do what it can if it does not get too deeply involved in discussing the **question of the legal regulation of chess.** Imagine, it has not been regulated for several thousand years and now the Communists are proposing to make good the deficiency. Perhaps legislatively change the color of the pieces and make the knight move differently?

Overt and covert appeals can be heard with increasing frequency: If you do not adopt the budget, we will disband the State Duma. If you do not back the authorities, that means you are simultaneously supporting the Communists and the Zhirinovskiyites. Early parliamentary elections are forecast as a result of the failure to adopt a budget.

I am categorically opposed to pushing any decisions through the State Duma by means of blackmail. Such actions **have nothing in common with democracy** and are more dangerous than a bad budget. No one intimidates us. Only political bankrupts who do not dare look the voters in the eyes can be afraid of elections. But you can vote for a budget if you believe that it is in Russia's interests. At the moment only the Zhirinovskiyites are "in favor," because they are confident that this will make everything collapse more rapidly.

I do not agree that the failure to adopt the budget must entail the dissolution of the State Duma without fail. **What is preventing the president from replacing the government, preparing a new budget, and starting genuine reform?** Lastly, I doubt that the president, with his contribution to the fight against communism, will agree to disband what is effectively the third parliament in four years.

It is necessary to rebuff attempts to see the situation in the country **in black and white.** Most Russian citizens have **color televisions** and can see that there are four political centers: the authorities, the Communists, the Zhirinovskiyites, and the democratic opposition to the first three groups.

The democratic opposition is emerging not because anyone is joining forces with the Communists but because the authorities have turned away from democrats and reform. **The residual democrats should leave the government, which is incapable of resolving society's problems.**

The state of the economy and of politics are causing disquiet and a demand for action. At the funeral of Dima Kholodov someone compared his death to that of another Dima—the innocent czarevich Dmitriy, who was murdered. His death was followed by a long period of usurpers, time-servers, pretenders, foreign intervention, and civil war. We do not have the right to allow that today.

'Red Tape' Prevents Ammunitions Export

LD0512231594 Moscow Ostankino Television First Channel Network in Russian 1800 GMT 5 Dec 94

[From the "Novosti" newcast]

[FBIS Summary] The Russian scientific and production enterprise "Basalt" specializes in designing state of the art ammunition. This includes the RBK-500 cluster bomb, which has a self-targeting element with a one kilogram copper head capable of penetrating any type of modern tank armor. When the bomb explodes, the copper head accelerates to a speed of up to 2.5 km per second.

The enterprise has also designed an antitank grenade PGE-7VL, which penetrates 300mm steel armor and a 1,300mm reinforced concrete wall from a distance of 300 meters.

All this belongs to the third generation of ammunition. At present, the enterprise is already working on the fourth generation.

"Basalt" is in a strong position to earn money from the export of ammunition. But, according to A. Obukhov, the enterprise's chief designer, these activities have been bedeviled by red tape. This has led to a situation when over half of the experienced staff left "Basalt" in search of higher earnings.

Federal Assembly

Yeltsin Edict on N. Ossetia State of Emergency Voted Down

LD0612164794 Moscow ITAR-TASS in English 1605 GMT 6 Dec 94

[By ITAR-TASS parliamentary correspondent Lyudmila Yermakova]

[FBIS Transcribed Text] Moscow December 6 TASS—The Russian Parliament upper chamber did not approve the presidential decree "On introduction of the state of emergency on part of territories of North Ossetia and Ingushetia" of December 2 which prolonged the state of emergency regime till January 31, 1994.

The decree was supported by only 47 per cent of chamber deputies.

More on Edict Rejection

LD0612212694 Moscow INTERFAX in English 1849 GMT 6 Dec 94

[FBIS Transcribed Text] At its session Tuesday evening, the Federation Council rejected the presidential decree of December 2 to extend state of emergency in the area of the Ossetian-Ingush conflict. Only 83 out of required 90 votes were cast in favor of the document.

Federation Council Deputy Speaker Ramazan Abdulatipov told journalists that the reason why the upper house of the Russian parliament rejected the document was that "virtually every time presidential decrees on state of emergency in the area of the Ossetian-Ingush conflict remained unfulfilled causing unsatisfaction among deputies and conflicting sides."

According to Abdulatipov, deputies decided to create a conciliatory commission under chairmanship of Federation Council Deputy Speaker Anatoliy Dolgolaptev.

The conciliatory commission will submit individual provisions of the document to the president for coordination. However, the president's future reaction is still unknown "as the creation of such a commission is not envisioned by the Constitution," Abdulatipov said.

State Duma Debates Chechnya; Zhirinovskiy on Coup Threat

LD0712095494 Moscow Ostankino Television First Channel Network in Russian 0852 GMT 7 Dec 94

[Video report by Dmitriy Kochetkov from the "Novosti" newscast]

[FBIS Translated Text] Carrying placards, the wives and mothers of our soldiers kept in captivity in Groznyy met deputies heading for their session.

The deputies refused to wait until tomorrow's closed session on Chechnya, and the State Duma started a passionate debate on the Chechen theme today instead. Speakers suggested that Chechen President Dzhokhar Dudayev should be invited to attend the Duma session and that tomorrow's meeting should be open to the mass media.

Sergey Yushenkov's trip to Chechnya evoked a sharply critical response from some deputies. Deputy Aleksandr Nevzorov said Yushenkov had turned his trip into a publicity stunt.

This very minute Vladimir Zhirinovskiy has begun a news conference at the State Duma. Before the start of the session LDPR [Liberal Democratic Party of Russia] leader Vladimir Zhirinovskiy told us what the news conference would be about.

[Begin Zhirinovskiy recording] We would like to say that the events in Chechnya and Black Tuesday [recent ruble crash] are pages from the same script. Boris Nikolayevich has to be prepared to see that certain forces in Moscow, even though they assure him they are not his adversaries, want to stage a Kremlin coup. [end recording]

So far the deputies have not started discussing the agenda, which includes debates on the bills on communications and on specially protected natural areas, and a report from Finance Minister Vladimir Panskov.

Disaffected Regions Kill Shatalov's Tax Reform Bill

MK0612121094 Moscow KOMMERSANT-DAILY in Russian 6 Dec 94 p 3

[Report by Natalya Varnavskaya: "Tax Policy. No Prophet is Accepted in His Own Country"]

[FBIS Translated Text] Yesterday's tax reform hearings in the Federation Council came to a surprise end. Actually killed was what is the most serious and properly compiled of all proposed draft laws—Sergey Shatalov's version of tax reform prepared by the Federation Council proper. It was turned down by a vast majority of participants in the hearings. At the same time, some populist proposals met with a rather broad support of participants in the hearings.

At the moment there are five main versions of tax reform—proposed by the government, the Duma, the Federation Council (Mr. Shatalov), the "Taxes of Russia" association (Mr. Frolov), and by Academician Lvov. The first three versions are not strictly pro-tax-reform because they constitute a number of more or less serious amendments updating, streamlining, and simplifying the current tax rules. According to KOMMERSANT-DAILY experts, the most thorough and interesting is Sergey Shatalov's version.

The two other concepts—by Vladimir Frolov and Dmitriy Lvov—do propose a tax reform. The chief innovation of the head of the Yekaterinburg "Taxes of Russia" association is that it heavily stresses taxes on consumption funds of enterprises, while that of Academician Lvov calls for abolishing all taxes save rental payments. Interestingly, Mr. Lvov's concept is gradually converging with the position of the men in Yekaterinburg.

The main objections to Mr. Shatalov's draft were heard from representatives of the Federation components. Most of the critical remarks dealt with the draft law's proposition that federal taxes should be paid first.

Such an aggressive stance of regional representatives is attributable to the fact that most of them were taking part in tax hearings for the first time (the third hearings over the past five months). Getting a chance to "blow off steam," they extended their dissatisfaction with the current tax system and the government version of reform also onto Sergey Shatalov's draft law.

Thus, the Federation Council ended up a hostage to its own activism and to being too democratic.

In the wake of many hours of debate, participants in the hearings proposed that the work on the Federation Council draft law be yet continued and a conciliation commission be created to come up with a new draft tax law combining the best parts of all the concepts suggested for consideration.

Regional Affairs

Reportage, Commentary on Chechnya Developments

Commandant Announces 'Laws of Wartime'

LD0612200294 Moscow ITAR-TASS World Service in Russian 1719 GMT 6 Dec 94

[FBIS Translated Excerpt] [Passage omitted] As ITAR-TASS correspondent Sharip Asuyev reports from Groznyy, the new commandant of Chechnya Iles Arsanukayev has read out on television his orders, from which it emerges that the republic has started to live according to the laws of wartime. Thus, all armed formations are being placed under the Armed Forces General Staff, throughout the republic trade in spirituous liquors is banned, unofficial markets and bazaars are abolished, and it is proposed that thieves, looters, and robbers caught at the place of the crime should be killed on sight.

Violators of the proclaimed orders are to expect arrest and field court marshal. The military commandant ordered the opposition to renounce claims to power, promising that their previous actions would be disregarded.

War Preparations Under Way

LD0712113194 Moscow Mayak Radio Network in Russian 1030 GMT 7 Dec 94

[Report by Anton Zharov from the Temporary Information Center of the Russian Government]

[FBIS Translated Excerpt] [passage omitted] A report has come in that the armed formations subordinated to Dzhokhar Dudayev are making active preparations for defense. Units and subunits of the opposition Provisional Council of Chechnya have also been confined to barracks. Those due for military service are being collected from population centers.

A suicide regiment has been formed from those most devoted to Dudayev. A women's battalion is also being formed. Work is being undertaken to set up field landing strips—there will be nine in all—for the possible reception of aircraft of the An-24 type, three of them in the area of the city of Groznyy. Strongholds are being set up and the main motor roads are being mined.

Dudayev Meets With Russian Ministers

LD0612135894 Moscow ITAR-TASS World Service in Russian 1341 GMT 6 Dec 94

[By ITAR-TASS special correspondents Ruslan Maysigov and Mikhail Shevtsov]

[FBIS Translated Text] Nazran (Ingushetia) 6 Dec—The meeting between Russian Defense Minister Pavel Grachev and Internal Affairs Minister Viktor Yerin with Dzhokhar Dudayev, president of the republic of Chechnya, began at 1600 [local time] today in the cossack village of Ordzhonikidzevskaya in Sunzhenskiy rayon in the Republic of Ingushetia today.

The meeting is taking place in the administration building of Sunzhenskiy rayon.

The ITAR-TASS correspondents learned that Dzhokhar Dudayev said before the meeting that he had come to Ordzhonikidzevskaya "not as a president but as a general to meet the military leadership of Russia" with a view to availing himself of the last opportunity to avert war.

Dudayev Comments on Meeting

LD0612215394 Moscow ITAR-TASS World Service in Russian 2117 GMT 6 Dec 94

[By ITAR-TASS correspondent Sharip Asuyev]

[FBIS Translated Text] Groznyy, 7 Dec—Following the agreements attained with Russian Defense Minister Pavel Grachev all the Russian servicemen taken prisoner in Chechnya will be returned, Chechen President Dzhokhar Dudayev told a news conference held in Groznyy late this evening. According to unverified information, there are 14 Russian servicemen and officers in Groznyy.

"We found mutual understanding on many issues with Pavel Grachev", Dzhokhar Dudayev said, with reference to the meeting he had had with the Russian minister in the village of Ordzhonikidzevskaya (Ingushetia). The main thing is, the Chechen president noted, that "we agreed on what problems should be tackled by the military and what problems by politicians." Also, Dudayev said that he had not asked for guarantees of nonaggression against Chechnya. "I could not ask for them for I understand perfectly well that military structures are such that they must obey orders," he said.

Dzhokhar Dudayev told journalists that the Russian State Duma's delegation, which includes Grigoriy Yavlinskiy and Sergey Yushenkov, was likely to leave Groznyy for Moscow within the next few hours. It was the Chechen president who prompted the deputies to depart. He said that "even given all our hospitality we would feel more at ease if all the deputies returned to Moscow and told the State Duma and the public about the true state of things in the Chechen Republic."

Dudayev 'Satisfied' With Meeting Results

LD0612173894 Moscow ITAR-TASS in English 1722 GMT 6 Dec 94

[By ITAR-TASS correspondents Ruslan Maysigov and Mikhail Shevtsov]

[FBIS Transcribed Text] Ordzhonikidzevskaya (Ingushetia) December 6 TASS—Chechen leader Dzhokhar Dudayev said on Tuesday that "neither Chechnya nor anyone else in the Northern Caucasus is going to fight Russia."

Speaking to reporters after his meeting with Russian Defence Minister Pavel Grachev, the Chechen president said that he was satisfied with the results of the talks.

Dudayev added that during his conversation with Grachev he understood that the Russian leadership does not receive the true information about the situation in Chechnya.

Replying to a query whether Chechnya will ever live in peace, Dudayev pointed out two aspects of the problem, political and military. "A soldier will always settle all military problems with another soldier, if politicians do not interfere," he stressed.

On the other hand, "the question of (Chechnya's) independence is a political problem", Dudayev said adding that in this context his meeting with Russian President Boris Yeltsin will be most desirable.

Grachev also told reporters that he is satisfied with the results of the meeting but said that the Chechen problem should be resolved at "a higher political level."

Yavlinskiy Meets With Yandarbiyev

LD0612170494 Moscow Mayak Radio Network in Russian 1530 GMT 6 Dec 94

[FBIS Translated Text] Up till now no one knows whether the Chechen leadership will agree to exchange the Russian POWs for the State Duma deputies. An IMA-press agency correspondent has managed to learn that Grigoriy Yavlinskiy, the main voluntary hostage of the Yabloko faction, met Zelimkhan Yandarbiyev, vice president of Chechnya, today to discuss this problem. The sides intend to set about talks directly after the dinner break.

During the day today, the deputies of the Duma faction Yabloko drew up a draft appeal to the lower chamber of the parliament and to the president of Russia. It says in particular: The political crisis connected with the events in the Chechen republic has brought our society to the brink of war, bloodshed and the curtailing of all the democratic reforms. Our colleagues, deputies of the State Duma, have voluntarily become hostages in Groznyy in order to stop an escalation of the armed conflict and do away with the threat to the lives of the Russian servicemen captured in the course of it.

The parliamentarians called upon Boris Yeltsin to stop immediately the participation of the Russian army in the military actions in Chechnya and to start talks with Dzhokhar Dudayev.

This evening, IMA-press reports, the text of the appeal will be examined at the Duma's council.

Zhirinovskiy Holds News Conference

MK0712083094 Moscow SEGODNYA in Russian 7 Dec 94 p 2

[Report by Petr Zhuravlev under the "Rescuers" rubric: "Vladimir Zhirinovskiy Returns Two More Soldiers to Russia. Groznyy Agrees To Accept Five Deputies as 'Guarantors of Security'"]

[FBIS Translated Text] A delegation of the Duma LDPR [Liberal Democratic Party of Russia] faction led by Yevgeniy Loginov, member of the defense committee, which held a scheduled round of talks in Groznyy on the future of Russian prisoners, returned to Moscow yesterday bringing along two more Russian soldiers captured by Dzhokhar Dudayev's supporters during the abortive storming of Groznyy on 26 November. They are Nikolay Sentsov and Vladimir Drozdov, privates of military unit 43162 (Kantemirovskaya Guards Division). Brought from Groznyy along with them was a Russian woman pensioner together with her young female relative from Moscow who was in Groznyy visiting.

In a news briefing specially devoted to this event, Vladimir Zhirinovskiy stated that the Chechen problem should have been solved "before from tough positions." Now, the Liberal Democratic leader complained, State Duma deputies are forced to fly to Chechnya "as if to the market and each time bring back a soldier, thus earning themselves political capital."

Groznyy, Zhirinovskiy thinks, will be taken by the New Year, but "this will not make life easier for anyone." War in Chechnya is needed in order "to divide the armed forces into an army fighting in hot spots, and an army that defends new Russian billionaires." The only way out of the situation taking shape in Russia (reflected now in the Chechen crisis) is seen by Mr. Zhirinovskiy in the holding of parliamentary and presidential elections not later than next March.

In his turn, LDPR delegation head Yevgeniy Loginov stated that Russian prisoners of war in Chechnya "are afraid to go back to Russia, fearing for their safety." He urged the State Duma to demand from the president and the heads of the "power" structures the granting to all POW's remaining in the Chechen Republic guarantees of such safety.

POW Issue 'Virtually Settled'

LD0612182994 Moscow Radiostantsiya Ekho Moskvy in Russian 1600 GMT 6 Dec 94

[FBIS Translated Text] The question of the release of the Russian prisoners of war in Groznyy has been virtually settled.

[Correspondent Vladimir Varfolomeyev] All our lads will be returned home within the next couple of days, Chechen Vice President Zelimkhan Yandarbiyev has promised. Talks were held at 0300 today with Grigoriy Yavlinskiy, the head of the Russian parliamentary delegation. It transpired that only one obstacle exists now—the delay in Moscow of a group of Lithuanian deputies whom Groznyy wants to see as mediators in a settlement to the conflict. This delay is happening through the fault of the Russian authorities who, for reasons that are not understood, do not wish Lithuanian mediation. All other problems have been settled.

The Chechen procurator general today prepared a number of documents on the prisoners of war. Besides, Sergey Yushenkov, former chairman of the State Duma defense committee, has received guarantees of safety for all the servicemen who are returning to Moscow. He said that the release of all the POWs is expected in the next couple of days.

Grigoriy Yavlinskiy himself would seem to be satisfied with the results of his visit.

[Begin Yavlinskiy recording] I think that there are indeed realistic grounds to believe that the Chechen authorities will keep their word and that a protocol on the handing over of the prisoners of war will be signed within a couple of days. [end recording]

I would add that five State Duma deputies from the Yabloko faction—Grigoriy Yavlinskiy, Sergey Metrokhin, Aleksey Melnikov, Vladimir Averchev, and Mikhail Malostvov—remain as hostages in exchange for the released prisoners in Groznyy. They will deal with the preparations for full-scale talks between Groznyy and Moscow.

Seven POWs Arrive in Moscow

LD0712085894 Moscow ITAR-TASS in English 0737 GMT 7 Dec 94

[By ITAR-TASS]

[FBIS Transcribed Text] Moscow December 7 TASS—Seven Russian prisoners of war freed by Chechen President Dudayev's regime and a delegation of the Russian State Duma led by Sergey Yushenkov and Grigoriy Yavlinskiy, have returned to Moscow from Nazran, ITAR-TASS learned at the temporary news centre of the Russian Government.

According to a representative of the centre, the plane belonging to the Russian Ministry for Emergencies landed at the Ramenskoye airport in the Moscow region at 9:45.

Grachev, Dudayev 'Understood Each Other'

LD0612164894 Moscow ITAR-TASS in English 1600 GMT 6 Dec 94

[FBIS Transcribed Text] Ordzhonikidzevskaya (Ingushetia) December 6 TASS—Russian Defence Minister Pavel Grachev said on Tuesday that the problem of the Russian officers taken prisoners during the Chechen opposition's abortive assault at Groznyy ten days ago, "will be solved within the next few days".

"Both being soldiers, we understood each other well", Grachev told reporters after his meeting with Chechen President Dzhokhar Dudayev, which took place today in the Cossack settlement of Ordzhonikidzevskaya in Ingushetia.

Before the talks, Dudayev said that he had arrived at the meeting "not as the president, but as a general to meet Russia's military leadership" in a bid to use the last chance to avert a big war.

Power Ministers Back Peaceful Settlement

LD0612175494 Moscow INTERFAX in English 1536 GMT 6 Dec 94

[From the "Presidential Bulletin" feature compiled by Nikolay Zherebtsov, Andrey Petrovskiy, and edited by Vladimir Shishlin]

[FBIS Transcribed Text] Russia's defense Minister Pavel Grachev does not think that the possibilities for peaceful settlement of the Chechen conflict have been tapped. He made such a statement in Mozdok (North Ossetia) during the meeting between the Russian power ministers and Chairman of the opposition Provisional Council Umar Avturkhanov.

Grachev, who leads the group for settling the Chechen conflict by the Russian president's decision, said he was ready to meet with President Dudayev on the condition that he act as the representative of the Russian Federation's constituent territory. IF Note: General Dudayev told Interfax that "the Chechen authorities have never rejected Moscow's initiatives to hold talks at any level." Commenting on Grachev's statement on his plans to meet with the Chechen leader, Dudayev said: "Perhaps, military people will come to terms faster than politicians."

Avturkhanov said in his turn that the Provisional Council was ready to implement the demand for ceasefire and the surrender of arms to the Russian interior troops, set forth in the Russian president's appeal to the conflicting parties, if Dudayev's troops do the same.

Grachev backed the proposal by representatives of the Provisional Council on raising the question of free parliamentary elections in Chechnya, during his possible talks with Dudayev.

Commander of Russia's Border Troops Andrey Nikolayev said that the leaders of the Russian power ministries, who participated in the talks on the Chechen settlement in Mozdok on Monday, believe that the conflict must be settled peacefully. "A dialogue is needed for political settlement. But if such a dialogue is not established, other methods may be used," he told Interfax.

Nikolayev announced that a variant of action was discussed in case Dudayev rejects Moscow's proposals on peaceful settlement of the conflict. He said that militants might be sent to Chechnya from abroad and that the internationalization of the conflict was not ruled out. He admitted, however, that such attempts had not been numerous so far.

He said that the Russian border troops in the North Caucasus were strong enough to ensure the security of the Russian borders.

To quote Grachev, military groupings were being formed up in the regions adjacent to Chechnya. These groupings include units of the armed forces, and of the interior and special troops, and are intended for possible operations involving the use of force, he said.

"If attempts to settle the Chechen crisis peacefully fail, law and order in Chechnya will be restored by force, he told journalists on Monday evening. He said that in this case the troops would not destroy Groznyy, but would act in individual assault groups.

The final measures to settle the conflict will be determined by the Security Council on December 8, he told reporters.

Meanwhile, representatives of the pro-presidential Russia's Choice faction in the State Duma sharply criticized the power bodies' actions in Chechnya, qualifying them as a "provocation targeted against Boris Yeltsin." This faction demanded that the president determine the responsibility of Defense Minister Pavel Grachev, FCS Director Sergey Stepashin, Secretary of the Security Council Oleg Lobov and Minister for Nationalities Nikolay Yegorov for the fate of the Russian servicemen taken prisoner by the Groznyy regime.

The Russia's Choice faction, led by Yegor Gaydar, favors a direct dialogue between the Russian president and the Chechen leader Dzhokhar Dudayev.

By contrast, representatives of another democratic faction—the Liberal-Democratic Union of December 12—demand that rigid measures be taken against the Dudayev regime. The Union's leader Boris Fedorov believes that the president's only chance of remaining in office until the next elections, to say nothing of victory, is to restore order in the Chechen Republic. In his opinion, the president must take urgent constitutional measures, disregarding all assessments and interpretations whoever might make them, including the introduction of troops to Chechnya.

Interfax has received information about possible talks between Grachev and Dudayev in Ingushetia's Cossack village of Sleptsovkaya 75 kilometers south of Groznyy on Tuesday evening.

According to military sources, Grachev is to advance three demands of the Russian leadership: early talks with the opposition; the disarmament of the illegal formations in Chechnya and the release of the Russian POWs.

Grachev Sees Need for Another Meeting

LD0612184094 Moscow ITAR-TASS World Service in Russian 1641 GMT 6 Dec 94

[By ITAR-TASS correspondents Ruslan Maysigov, Mikhail Shevtsov]

[FBIS Translated Excerpt] Ordzhonikidzevskaya (Ingushetia), 6 Dec—[passage omitted] General Grachev believes that yet another meeting is needed. Problems should be solved at a higher political level, he remarked and said that more time is needed for conversation. [passage omitted]

Journalists had the impression that participants in the meeting were, on the whole, in a fairly benevolent mood. They seemed to have understood one another well.

Dzhokhar Dudayev told pressmen that neither Chechnya nor anybody else in the North Caucasus is going to fight with Russia. He added that he is satisfied with the meeting and came to it with peace.

The Chechen leader believes that the situation in the republic is normal but the Russian leadership is not getting objective information on Chechnya. This, according to him, he understood from the conversation with the Russian defense minister.

Answering a question on whether there will be peace in Chechnya, Dudayev said that the problem had two aspects—political and military. Two military men can always agree on military problems if politicians do not interfere, he said.

The issue of independence, though, is a political one, Dudayev continued. In this context he spoke in favor of a meeting with Russian President Boris Yeltsin.

Newspaper Questions Army's Stance

MM0612202194 Moscow IZVESTIYA in Russian 7 Dec 94 pp 1,2

[Report by Vadim Belykh and Nikolay Burbyga: "The Forces on Chechnya's Borders Are Talking About Peace But Preparing for War"]

[FBIS Translated Excerpt] Mozdok—[passage omitted] Defense Minister Pavel Grachev flew into Mozdok on 5 December. According to him, one of the main purposes of his visit is to organize talks on a peaceful settlement of the bloody conflict in the Chechen Republic. To this end, Pavel Grachev intended to meet simultaneously with the leaders of the Chechen opposition and General Dudayev or his official representatives on 6 December. The adversaries will be told to disarm immediately. The minister will report to tne country's leadership on the results of the talks. On 8 December, according to Grachev, there will be a session of the Security Council, which will make the final decision. If Groznyy does not accept Moscow's peace plan, "other measures, even extreme measures" are possible."

Which means establishing order by force. [passage omitted]

But, according to Pavel Grachev, routing this army is not a serious problem for the Russian grouping. Although it will obviously have to renounce such effective methods as mass aerial bombing and artillery bombardment. All that might result in civilian casualties, which the forces would make every effort to avoid in the event of a combat operation. Apparently, they would operate in small assault groups, ruthlessly crushing hotbeds of armed resistance.

But the defense minister says he wants to avoid this scenario, preferring to resolve the conflict by peaceful means. He is convinced that Russian citizens are even now among Dudayev's formations, although they are "drugged, duped, and desperate,".

Pavel Grachev again denied his department's involvement in the bombing of Groznyy, but at a meeting with journalists he admitted that Russian aircraft had attacked Chechen airfields (although it is difficult to see what the difference is). At Vostochnyy airfield, 20 kilometers from Groznyy, six Tu-134 aircraft, which had allegedly brought mercenaries and ammunition to Dudayev, were destroyed. Ten L-39 training aircraft were wrecked at Zapadnyy airfield.

Pavel Grachev also talked about the Russian servicemen who had fallen into the hands of the Dudayevites. He emphatically described them as hostages. "A Russian cannot be either a prisoner or a mercenary in his own country. We cannot abandon these people, although it was a poor thing they did accepting those millions." Grachev promised to investigate who hired whom, when and how. And, incidentally, he said that similar attempts had been made over a long period. For instance, after returning from the Far East he learned from the chief of staff that a large group of officers and men from the Kantemirovskaya Division was trying to board an aircraft at the airfield in Chkalovskoye, bound for Mozdok. They were intending to fight on the side of the Chechen opposition on contract. The volunteers were immediately brought back by order of the minister. But the recruiters allegedly became smarter after that.

"We do not intend to discharge anyone," the minister said. "These people are not criminals. All young contract officers have now returned from the opposition's positions. Another two have been brought from Groznyy, six are missing, and 14 are still being held hostage. And I hope their lives are not in danger. Otherwise Dudayev and his supporters will be held strictly responsible for every person killed. No one will help them. I will be unable to stop officers and men if they learn of the tragic fate of their comrades," the minister concluded, in very bellicose mood.

After these words and all that is happening in Mozdok, the question remains open: What is the Russian army preparing for—peace or war?

Grachev's Talks With Opposition Viewed

MM0612202994 Moscow KRASNAYA ZVEZDA in Russian 7 Dec 94 p 1

[Unattributed report under the general heading "Conflict Zone: Troops Ready To Act Decisively, But Talks Are Preferable": "At the Eleventh Hour"]

[FBIS Translated Text] Our special correspondent reports from Mozdok that on Tuesday 6 December Army General Pavel Grachev met with representatives of the opposition to Dzhokhar Dudayev, the Chechen Provisional Council, whose delegation included its chairman, Umar Avturkhanov, Provisional Council Premier Salanbek Khadzhiyev, and Bislan Gantamirov, commander of the opposition armed forces. Opposition representatives stressed that they are prepared to fulfill Russian President Boris Yeltsin's demands, delivered in an appeal to the parties to the armed conflict in Chechnya, and to participate in free elections.

During the negotiations Umar Avturkhanov stressed that opposition representatives have repeatedly tried to resolve the existing contradictions through peaceful means, but Dudayev's regime has not agreed to this, and has today effectively brought Chechnya to the brink of catastrophe. In his words, today in Groznyy numerous arrests of opponents to Dudayev's regime are taking place, and mass media sources trying to give a more or less objective picture of what is happening are being closed down. And valuables are being confiscated from the civilian population, allegedly "in the name of the sacred task."

The Provisional Council chairman noted that the majority of Groznyy's population does not support Dudayev, and are ready "for any actions" in order to establish order and legality in the republic.

In his turn the Russian defense minister gave assurances that he is ready for dialogue with all parties to the armed conflict, but only on the condition that Chechnya is a component of the Russian Federation. He also stressed that peaceful dialogue is possible only given the unconditional disarmament of the warring sides, and expressed his support for the holding of free elections in Chechnya. Army General Pavel Grachev denied reports alleging that Groznyy has been bombed by Russian planes. This applies only to military facilities where 10 L-39 training aircraft prepared for use for military purposes were located, the defense minister said.

Participants in the meeting with representatives of the opposition discussed the possibility of actions by Russian troop groups in the event of Dudayev refusing to hold talks. Umar Avturkhanov for his part expressed the opinion that there is a need to storm Groznyy. It is necessary only to securely block the city against the incursion of gunmen and mercenaries, who are currently trying to break through into the city by any means.

Also participating in the talks with the Chechen Provisional Council, in addition to the defense minister, were Viktor Yerin, Russian minister for internal affairs, Sergey Stepashin, director of the Federal Counterintelligence Service, and Nikolay Yegorov, the Russian president's representative in Chechnya. All participants in the meeting concurred in the opinion that a persistent search for a peaceful method of resolving the crisis must be continued. However, the defense minister reminded his interlocutors that the deadline for the handover of weapons expires 15 December. If a peaceful solution has not been found by this time, the use of other means of solving the conflict is possible.

Officials Comment on Aid Prospects

LD0612152394 Moscow INTERFAX in English 1416 GMT 6 Dec 94

[FBIS Transcribed Text] According to a member of Russia's Presidential Council, "Moscow will have to give massive financial and economic assistance to Chechnya as soon as there are guarantees that the settlement of the conflict there is irreversible."

Money to restore Chechnya's economy would be provided by presidential decree from extra-budgetary sources, so the aid would entail no cuts in budgeted spending on social programs, Leonid Smirnyagin, who is also deputy head of the presidential Analytical Center, told Interfax on Tuesday. The same was said to Interfax by Deputy Prime Minister Yuriy Yarov, who runs social policy.

Asked why Chechnya is not on a list of depression-hit regions needing support under a special government program, Smirnyagin said the bulk of the work on the program was being done by local authorities, while

Chechnya had long broken away from Russia's economic network. The implementation of the program, beginning in 1996, will cost about 17 trillion rubles in terms of today's prices, excluding assistance to Chechnya, Smirnyagin said.

Opposition Ready To Surrender Weapons

LD0612160994 Moscow INTERFAX in English 1416 GMT 6 Dec 94

[FBIS Transcribed Text] The opposition Provisional Council in Chechnya is prepared to meet Russian President Boris Yeltsin's demand to end military operations and surrender fire arms to Russian Interior troops, if the same step is made by the units loyal to President Dzhokhar Dudayev. This statement was made by leader of the Chechen Provisional Council Umar Avturkhanov at a meeting with leaders of the Russian "power" ministries which took place on Tuesday in Mozdok (North Ossetia). Taking part in the meeting were Defense Minister Pavel Grachev, Interior Minister Viktor Yerin, Minister for Nationalities and Regional Policies Nikolay Yegorov, as well as leader of the Federal Counterintelligence Service Sergey Stepashin.

Avturkhanov voiced hope for a peaceful settlement of the crisis in Chechnya and added that Dzhokhar Dudayev "has not so far taken personal efforts for searching out a peaceful settlement."

If there is need to use force, the chairman of the Provisional Council recommended to Grachev that Groznyy should not be attacked but rather blocked off. He said that if this is done the absolute majority of city residents will leave the capital.

Grachev believes that a peaceful solution of the conflict is still possible. The minister said that he was prepared to meet Dzhokhar Dudayev only if the latter takes part in the talks as a representative of a constituent member of the Russian Federation.

Grachev backed the proposal by representatives of the Provisional Council on the need to raise at possible talks with Dudayev the question of free parliamentary elections.

Opposition Group Wants Role in Talks

LD0612211994 Moscow ITAR-TASS World Service in Russian 1324 GMT 6 Dec 94

[By ITAR-TASS]

[FBIS Translated Text] Moscow, 6 Dec—Chechnya's "government of people's trust" in opposition to the Dudayev regime issued a statement today proposing that the interim council of Chechnya headed by Umar Avturkhanov be removed from the talks process.

The statement, which was signed by Yaragi Mamodayev, chairman of the government, and received by ITAR-TASS today, claims that "the government of people's trust" and Dzhokhar Dudayev should be the sides in the talks.

Opposition's Frustration Viewed

MK0712084094 Moscow MOSKOVSKIY KOMSOMOLETS in Russian 7 Dec 94 p 1

[Report by Yuriy Zaynashev under the heading: "Our Wives Are Loaded Guns"]

[FBIS Translated Excerpt] [Passage omitted] While civilian politicians from Moscow file off to Groznyy, the military meet with the Chechen opposition. The chiefs of the "power" agencies did not go to Chechnya themselves, of course, but invited Provisional Council Chairman Umar Avturkhanov to the Russian town of Mozdok. Provisional Council spokesman Ruslan Martagov said in an interview for MOSKOVSKIY KOMSOMOLETS that the opposition is currently in disarray. Despite the defeat of 26 November, the rebels expected to continue their war with Dudayev. Boris Yeltsin's statement about the famous 48-hour deadline frustrated them. On one hand, Ruslan Martagov says, the Provisional Council believes that since under the Constitution the republic is part of the Russian Federation, Russian troops should play a major role in bringing order to Chechnya. But on the other, the stern warning from the Kremlin, once again, was not followed by anything. This has dampened the opposition fighters' spirits.

ITAR-TASS reported the other day that Provisional Council helicopters shot down a plane 5 December that was flying to Dudayev's rescue from Azerbaijan. Ruslan Martagov, however, is not aware of the incident. As far as he knows, following Boris Yeltsin's statement, forces of the Provisional Council ceased all fire. Hence, the plane, if it existed at all, must have been downed by Russian troops. Mr. Martagov also refuted an ITAR-TASS report that the Chechen opposition held a rally in the town of Urus-Martan under field commander Beslan Gantemirov. The rally was allegedly held in support of Chechen independence—not Dudayev—in the face of Russian invasion. According to Martagov, Beslan Gantemirov, who, as a matter of fact, heads the rebels' largest force, recognizes Russian authority, just as the entire Provisional Council. Another opposition leader, Ruslan Khasbulatov, on leaving Chechnya, had a brief conversation with Umar Avturkhanov and allegedly promised to assist the Provisional Council from Moscow.

Of course, the opposition could not but be chagrined by rumors about ongoing preparations for talks between Moscow and Groznyy. If Dudayev suddenly reaches accord with the Muscovites, the Chechen rebels, following their military debacle, will suffer a full political defeat in the bargain. In that regard Ruslan Martagov fears that Provisional Council forces could be disarmed only if the disarming of the Dudayev forces has started by that time. But Dudayev, as long as he is in his right mind, will of course never lay down arms. Hence, a vicious circle.

Security Council Discusses Chechnya

LD0712090794 Moscow ITAR-TASS World Service in Russian 0838 GMT 7 Dec 94

[By ITAR-TASS correspondent Andrey Shtorkh]

[FBIS Translated Text] Moscow, 7 Dec—The situation in Chechnya is being discussed by members of the Russian Security Council, a session of which started in the Kremlin a few minutes ago. An ITAR-TASS correspondent has learned this from well-informed sources.

According to the same sources, Russian Federation Defense Minister Pavel Grachev will inform the members of the Security Council of the results of his talks with Dzhokhar Dudayev, held yesterday in Stanitsa Ordzhonikidzevskaya in Sunzhenskiy Rayon on the territory of the Republic of Ingushetia.

The ITAR-TASS correspondent's contact had trouble answering the question as to whether there would be a private meeting between Russian President Boris Yeltsin and Pavel Grachev. The possibility is not ruled out, however.

Representatives of the press have not been invited to the Security Council session, which will take about two hours.

'Barefaced Lies' About Attack Hit

MM0712112194 Moscow KOMSOMOLSKAYA PRAVDA in Russian 6 Dec 94 p 1

[Report by Valeriy Simonov under the "War" rubric: "Unidentified Lying Objects"—first paragraph is KOMSOMOLSKAYA PRAVDA introduction]

[FBIS Translated Text] Who is the architect of the Chechen escapade? Who were the Russian servicemen who burned in tanks in Groznyy 10 days ago? Will the president punish his personal bodyguard? These are questions which have been left hanging in the air. While unidentified lying objects are calling the shots from on high.

The sense of awkwardness, shame, and impotence strengthens with every repeat of the "Chechen" video clips which have become commonplace on all television channels. Here is what is left of the tanks, cold now and dusted with snow and ashes. And here, shuffling around in front of the cameras in worn-out boots, is the Russian Army—with dimmed eyes, and scrawny necks. In this one, ground-attack aircraft, their wings adorned with emblems, fly over Groznyy. And, on top of all this, talking heads, spewing out streams of clumsy, feeble, "official commentaries."

And some of the things we have heard in these past days beggar belief! That the defense minister is not au fait with whose tanks and aircraft are conducting combat actions (while any mention of people is also a seeming source of embarrassment—as if we should be expected to keep tabs on everyone...!). That somebody wrote more into the text of the presidential edict than needed to be there, as a result of which the president in his turn was misunderstood, hence the request not to take the ultimatum at face value. And that Boris Nikolayevich is seriously concerned about arbitrary action by the special services and will punish without hesitation those who set our very own home-grown Rambos onto the "Most" security guards....

Lies, undisguised, barefaced lies are becoming the main working instrument of domestic policies. No one from among those invested with power is particularly worried about how he will look his fellow countrymen in the eye tomorrow, or what he will say when found guilty of espousing mundane, trite nonsense from the television screens. These are the rules, everybody lies, so what is the point in shying away from it? They look us ingratiatingly in the eye and sweetly, in their own familiar way, they suggest: "Judge for yourselves.... Put yourselves in this position.... The situation demands...." Oh so gently, we are set right: "These are not captive Russian soldiers but just people who have come to grief." We are asked to share official disgust with Dudayev, who sits at home in Groznyy in no hurry whatever to come out and fight cleanly.

All-embracing conclusions are not really what we want here, but let's take stock of the situation as it stands. So we have a state in which nobody is responsible for anything. In which the architects of momentous decisions affecting the interests of the country and millions of people are harder to track down than the authors of "The Lay of Igor's Host" [early work of Russian literature]. A state in which, even 10 days after the shameful attack by the Russian military on Dudayev's palace, the president has been unable to find an opportunity to address his fellow citizens directly with explanations of what happened.

Incidentally, this is rare gift of our president—to be above circumstances, and not to sink to clarifying things with the voters. Boris Nikolayevich demonstrated this gift on the night of 3 October last year, when the whole of Russia waited for even a few words from the lips of the universally elected representative. He is sure of himself on this occasion too. One can only take a guess at how many times Clinton would have come out onto the lawn to face the television cameras had something similar happened in the United States.

But what is there to complain about here? It is perfectly obvious that it is no longer the commander in chief who leads the parade in Russia but the aides-de-camp, special envoys, and strikers of all persuasions. The way in which people are growing in stature, and the speed with which the chief of personal security, the aides, and advisers are shooting up to the very top of the political ratings could be a cause for celebration. Provided society knew to whom exactly it is obliged for its joys and sorrows. But this is not done in a bureaucratic world. There, power is anonymous, and as such unaccountable. And it is mendacious.

...Once again our prisoners are shown on television. As is General Grachev, who instantly reminds you of the "grim reaper" when you look at him. And the president, gracing yet another tennis tournament with his presence.

I try to imagine what an officer somewhere in the Transcaucasus Military District feels when he looks at the television screen. And to be honest, the feeling is not a comfortable one.

Leaderships' Handling of Chechnya Faulted

MM0612164994 Moscow KOMSOMOLSKAYA PRAVDA in Russian 6 Dec 94 p 2

[Article by Ravil Zaripov: "...But Chechnya Is Not the White House"]

[FBIS Translated Text] The "servant to the czar and father to the soldiers" preferred to stick to the first part of the proverb and scorn the second. If anyone still had any illusions about [Defense Minister] Pavel Grachev, then Chechnya has dispelled them. Judging by everything, the concept of officers' honor is old-fashioned as far as the Russian defense minister is concerned, since his subordinates are just bargaining chips. Incidentally, Pavel Sergeyevich recently suggested to the Russian president that he make the defense minister and his deputies marshals. Clearly, the marshal's baton is to be earned for Pavel Grachev by the Russian Army servicemen who are stationed along Chechnya's borders.

What about the Russian president? He has been misunderstood by journalists yet again. That is nothing new. Kremlin sources report that at a Security Council session the president barred officials from speaking out on the Chechnya situation until he has taken some specific real steps. He was apparently unhappy about the press article by Federation Council Deputy Chairman Valeryan Viktorov, who suggested that we "grit our teeth but negotiate with the Chechen leaders."

This information seems true. Politicians involved with Chechen events or with access to information are either relating the Yeltsin appeal or are keeping quiet. This idyllic state of affairs is only being broken by Sergey Yushenkov, chairman of the State Duma Defense Committee—who has his own agenda, incidentally.

Needless to say, everyone is interested in whether Boris Yeltsin knew about the recruitment of Russian servicemen for Chechnya or not. It is absurd to assume that Savotsyanov, head of the Federal Counterintelligence Service [FCS] Directorate for Moscow and Moscow Oblast, would have independently ordered FCS agents to leave for guards units subordinate directly to the Russian president in order to recruit "wild geese" for the Dudayev opposition. This would require the sanction at least of the defense minister or of the General Staff. As would the dispatch of servicemen from Chkalov Airfield. This secret military unit [rezhimnaya voyskovaya chast] is subordinate to the commander in chief of the Air Force personally. In order for an aircraft to take off from this airfield the order has to be given to the Air Force Central Command Post—and, according to information from the Defense Ministry, it can only be given by the chief of the General Staff or the minister.

Defense Minister Pavel Grachev has finally gotten his statements mixed up. He himself admits that he does not know what is going on in the Army. "You can't monitor everyone—the Army is not a platoon," he admitted in a TV interview.

Clearly, things would indeed be easier for Pavel Grachev were he commanding a platoon. But the fact is that every day at 1000 he reports to the Russian president on the situation in the Army—that too was something he admitted in the TV interview.

The fact that the defense minister could, forgive me, lie to the public and shrug his shoulders is no surprise. But the fact that he would lie during his daily report or deliberately fail to tell Boris Yeltsin about the recruitment of servicemen from his units is hard to credit. If Pavel Grachev really did not know about it, then the Russian president can only be congratulated on having this "best defense minister for decades."

Meanwhile troops are massing around Chechnya. It looks like neither Groznyy nor Moscow is planning to negotiate. Clearly, personal ambitions are prevailing. The situation is deadlocked. If troops are not sent in it will be taken as weakness. That means they will be sent in. The Army will once again be stained in blood. Only this time the "White House" has grown to the size of a republic. But, if so, it will be a pyrrhic victory. Even if tanks are used in Chechnya and we make do without the "black tulips" [military helicopters] (which is unlikely), a grateful Russia will not be erecting a monument in the Caucasus to the new Yermolov [harsh czarist-era conqueror of the North Caucasus in early 19th century]—that is, Grachev.

However events may develop, we can already state that events in Chechnya have escalated into another general Russian crisis. The population's confidence in the Armed Forces command has been punctured. It will probably no longer do the Defense Ministry any good to moan about the draft campaign's poor indicators. What mother would let Grachev have her son after what we have seen!

In turn, there is dwindling confidence among servicemen in the supreme commander in chief—the Russian president, who allowed this situation to come about. And is that true only of servicemen? The local soviet elections could show a rise in the population's sympathies for the Communists and the Liberal Democratic Party of Russia, rather than for the "Russia's Choice" candidates who claim presidential patronage.

In the event of the Dudayev regime being toppled by strong-arm, violent methods, then—however good the republic's next leader may be—he will be branded a Russian vassal kept in power by Russian guns. Not to mention the fact that a strong anti-Russian opposition is taking shape in the Caucasus and in Muslim-oriented countries.

As for Federation components, they have been given a lesson in "shock" therapy which will remain fixed in the minds of their leaders and populations for a long time to come.

Grachev, Gromov Differences Viewed

MM0712112794 Moscow IZVESTIYA in Russian 7 Dec 94 p 2

[Report by Valeriy Vyzhutovich: "Deputy Defense Minister Boris Gromov Should Be Sacked Or Promoted"]

[FBIS Translated Text] Defense Minister Pavel Grachev, who arrived in Mozdok 5 December, said: "If peaceful ways of resolving the Chechen crisis do not bear fruit, legality will be established in the republic by force." At a news conference the same day—subsequently relayed on nationwide television—Deputy Defense Minister Boris Gromov categorically opposed an armed Russian invasion of Chechnya, saying that he intends to press for peaceful means of resolving the crisis.

Never before has Russia seen this kind of "pluralism," which completely negates the principle of one-man command in the army.

We will not comment on the personal relationship between the two generals and the fact that Boris Gromov was recently barred from resolving a number of issues within his remit. Nor will we assess which means of settling the Chechen crisis is preferable. Let that be debated by deputies and everyone else for whom political controversy is prescribed as part of their job, or at least who is not barred therefrom. But public political debate between the defense minister and his deputy, i.e. between the commander who gives the orders and a subordinate who is ordered by regulations to unconditionally carry out those orders....

Russian troops are still massing on the border with Chechnya. How should field commanders respond to this kind of "idle talk within the ranks" of the Defense Ministry's top leadership? Or should a debate also be started near Groznyy on whether to rely on the former or the latter depending on which of the two generals "you support"?

The political controversy between the defense minister and his deputy is not just a scandal. It is a sign of a most profound crisis within the army's upper echelons. Evidence of the army's total ungovernability. A symptom of the paralysis pervading all Russian authority. In order to prove the opposite General Gromov should either be immediately sacked or promoted following his statements.

International Affairs

Foreign Ministry Expresses Concern Over Chechen Conflict

LD0612171194 Kiev Radio Ukraine World Service in Ukrainian 1600 GMT 6 Dec 94

[FBIS Translated Text] Alarming news is coming from the Chechen Republic. As a result of violent confrontation between various political forces, there are deaths among the civilian population and these developments cannot but cause concern, the more so in that the escalation of tension can also spread to other regions, including those bordering on Ukraine, it is said in a statement issued today by Ukraine's Foreign Affairs Ministry.

The bitter experience of regional conflicts, the statement goes on to say, demonstrates that the use of military power exacerbates crises. We believe that the only way to settle a conflict is that of peaceful negotiations and mutual compromise.

The Ministry of Foreign Affairs of Ukraine states it hopes this conflict will be ended by peaceful political means, as misjudged steps can lead to unforeseeable developments.

Foreign Ministry Hails Signing of Safety Guarantees at CSCE

LD0612220194 Moscow ITAR-TASS in English 2022 GMT 6 Dec 94

[By UKRINFORM correspondent Tatyana Kovalevskaya for TASS]

[FBIS Transcribed Text] Kiev December 6 TASS—A memorandum on safety guarantees in connection with the Ukrainian joining of the non-proliferation treaty signed during the CSCE summit in Budapest was a major event for Ukraine, a briefing at the Ukrainian Foreign Ministry was told here today.

Ukrainian diplomats stressed that the memorandum signed by Ukraine, Russia, Great Britain and the United States is an international-legal document which means the Ukrainian official joining of the treaty on non-proliferation of nuclear arms. Ukraine has also received additional safety guarantees as a non-nuclear state from France (in a delegation) and China (in an official statement of the Chinese Government). Ukraine now has safety guarantees of all nuclear powers.

The entrance into force of the START-1 Treaty was no less important. It will enable the U.S. and Russia to ratify the START-2 Treaty and result in additional reduction and limitation of strategic offensive armaments and progress towards full elimination of nuclear arms.

Kuchma Praises CSCE Summit Results

LD0612210794 Kiev UT-1 Television Network in Ukrainian 1900 GMT 6 Dec 94

[Passages within quotation marks recorded]

[FBIS Translated Text] The meeting between heads of Conference on Security and Cooperation in Europe member states concluded today [6 December] in Budapest with a number of joint documents signed. Our special correspondents have the report:

[Unidentified correspondent] To Ukraine, the significance of the Budapest summit, attended by over 50 heads of state, far outreached the boundary of plenary discussions on some of the European continent's most topical, pressing issues. The many bilateral and multilateral meetings, talks on subjects of mutual interest and, finally, contacts in the lobby and their content, character, and political tonality, demonstrated the international community's immense interest in Ukraine, its foreign policy, and the progress of economic reform and democratic transformation.

Ukrainian President Leonid Kuchma held meetings in Budapest with the top leaders of Canada, Britain, France, Germany, Italy, the Netherlands, and other Central and Eastern European countries.

[Kuchma] "We perceived tremendous interest in the processes under way in Ukraine. Most importantly, they [the international community] believed us when we said that these processes were irreversible as far as radical economic reform and the mission of Ukraine in Europe today were concerned. So that is most important.

"I also think that we will soon feel this, both in wider-ranging political relations of ours and, most importantly, in the economy."

[Correspondent] What is the assessment of Ukraine's position after the memorandum was signed?

[Kuchma] "I think it is very good. The image of Ukraine as a country seeking some unilateral advantages—which was impossible—has gone after being cultivated for the past few years. We only wanted security guarantees for Ukraine, which is quite right, as, of its own accord, Ukraine voluntarily divested itself of nuclear weapons, in exchange.-..[pauses] plus virtually all economic problems associated with nuclear disarmament were in fact thrown upon us as the Moscow trilateral statement made provision for as little as $350 million which, really, is very little. Then through American firms...[pauses] I think the image of Ukraine worldwide and, most importantly, in Europe, is quite different and our relations with all states, both our large and small neighbors as it were—both Poland and Hungary and others—are very good."

Official Examines Security Guarantees Signed in Budapest

LD0612192994 Moscow INTERFAX in English 1647 GMT 6 Dec 94

[FBIS Transcribed Text] Ukraine considers the document on the nuclear powers giving to Ukraine guarantees for its security signed in Budapest as an international legal document, an official of the Ukrainian Foreign

Ministry's Disarmament Department Igor Timofeyev told a briefing in Kiev today.

He said the acceptance of the declaration on Ukraine joining the Treaty on non-proliferation of nuclear weapons and the Ukrainian law on joining the non-proliferation treaty by the depository states could be regarded as recognizing the special status of Ukraine.

Timofeyev said the SALT had become invalid since the last day.

Chief of the Ukrainian Foreign Ministry's Information Department Natalya Zarudnaya said the guarantees received by Ukraine marked "success of the Ukrainian diplomacy." She said the Ukrainian Foreign Ministry had managed to satisfy practically all demands put forward both by the Ukrainian parliament and the nuclear powers.

Kravchuk: Budapest Memorandum 'Illusion' of Security

LD0612193294 Moscow INTERFAX in English 1647 GMT 6 Dec 94

[FBIS Transcribed Text] "This is an illusion to believe that the issue of Ukraine's security was resolved by signing the Budapest memorandum," former Ukrainian president, now parliamentarian Leonid Kravchuk told journalists in Kiev today.

"The memorandum is not guarantees yet as the memorandum declares only what was already fixed in the UN and CSCE charters," he said.

"If I were Clinton I would not have signed any guarantees. This is euphoria. I've already gone through this," Kravchuk said.

He said he believed that neither the U.S. nor Britain would do anything if Russia interfered into the Crimean problem "tomorrow."

Kravchuk said Ukraine could obtain real security by participating in "any" international structures "which will then be interested in our existence."

Moroz Protests Russian State Duma Statement on Crimea

LD0712112294 Moscow ITAR-TASS in English 1035 GMT 7 Dec 94

[By ITAR-TASS correspondent Ivan Novikov]

[FBIS Transcribed Text] Moscow December 7 TASS—The Ukrainian parliament sees the Russian State Duma's statement of November 23, 1994 as "interference in internal affairs of Ukraine, says a letter from Ukrainian Parliament Chairman Aleksandr [Oleksandr] Moroz circulated in the Duma today.

The Russian parliament's statement concerned a resolution which the Ukrainian parliament had passed in mid-November on the politico- legal situation in the Crimea. By that resolution the Ukrainian parliament had reversed numerous decrees and resolutions of the Crimean president and the parliament. The Ukrainian parliament then said it acted so because the Crimean Constitution was not in line with the Ukrainian legislation.

In its November 23 statement, the State Duma called on "deputies and all citizens of Ukraine to meet hopes and problems of the Republic of Crimea with tolerance and respect, with which Russia had met the creation of the independent Ukrainian state."

The statement said that "a language of ultimatums and blockade is the worst way to manage arising controversies." The Duma also said it was in interests of both Russia and Ukraine to protect the Crimea, with weapons abundant in it, from any pressures, adding that the Duma was not indifferent to the Crimea's fates because any trouble there would repercuss in Russia.

The message received from Moroz today voices surprise "why the rightful desire of the Ukrainian Supreme Soviet (parliament) to bring Crimean laws in conformity with the Ukrainian Constitution was seen by the Russian colleagues as a "language of ultimatums and blockade." The letter says the Ukrainian parliament's move was appropriate and was an "inalienable function of any state."

The letter of Moroz says intentions of some Russian politicians, reflected by the Duma statement, were unacceptable and potentially detrimental to prospects of Ukrainian-Russian relations.

National Affairs

Yeltsin Visit to Kiev Deemed 'Unlikely' 'Any Time Soon'

WS0712102094 Kiev INTELNEWS in English 0256 GMT 7 Dec 94

[Report by Halia Pavliva]

[FBIS Transcribed Text] Kiev, Dec. 6—The planned visit of Russian President Boris Yeltsin to Kiev is unlikely to take place any time soon, according to a Ukrainian Foreign Ministry official. "Yeltsin will not visit Ukraine this year, it is clear today," ministry spokesperson Natalia Zarudna told INTELNEWS Wednesday, after it became known that Yeltsin failed to meet as planned with President Leonid Kuchma during the Conference on Security and Cooperation in Europe summit held in Budapest Dec. 5 and 6. Kuchma spokesman Myhailo Doroshenko on Nov. 30 had confirmed "the planned meeting in Budapest between the two presidents," but refused to say at the time whether the two would use the opportunity to nail down a date for a possible Kiev summit. The two presidents had initially planned to meet in Kiev in October, ahead of Kuchma's

November visit to the United States, but delays on concluding a Friendship and Cooperation Treaty have repeatedly pushed the timetable for the meeting farther into the future. "The (Budapest) meeting did not take place because of the Yeltsin's intensive schedule at the CSCE summit," she said, refusing to answer directly when asked whether Yeltsin's speech criticizing plans for NATO expansion and U.S. President Bill Clinton's negative reaction to it was a factor in the decision not to meet. "Both sides have intentions to cooperate with each other," she said, adding that she expected Ukraine and Russia to complete their work on the Friendship treaty by Dec. 20. Foreign Ministry representatives characterized Yeltsin's Budapest speech as "sharp" and expressed concern over the fact that the Russian president paid a lot of attention to the issue of protection for Russians living in the so-called "near-abroad"—a perennial sore point in Russia's relations with its neighbors.

Crimean President 'Out of Hiding'; Low Popularity Noted

WS0712103194 Kiev INTELNEWS in English 0256 GMT 7 Dec 94

["Special to INTELNEWS" by Lillia Budjurova]

[FBIS Transcribed Text] Simferopol, Dec 5—Crimean President Yuriy Meshkov recently came out of hiding after three months of absence from the public eye. Over the past week, Meshkov conducted a series of meetings with the representatives of public organizations, Crimean Academy of Science, leaders of political parties, Parliamentary deputies and entrepreneurs. "The meetings were organized as consultations and proved the necessity of establishing the Council of Public Concord," said presidential administration officials. According to Sergey Shuvainikov, a leader of the Russian Party of Crimea, Meshkov said he ran these consultations because "the Crimean Republic is in danger." Meshkov is preparing to "save Crimea in the event Crimean Parliament is disbanded," he added. Meshkov also promised to conduct additional meetings on a regular basis. In an interview on Crimean television, he described the Crimean situation as "abnormal both in the area of economy and government administration," and attributed this to the "broken ties between Crimean people, public organizations and government organs." Crimean government is not meeting neither the interests nor demands of Crimean people, according to Meshkov. "Restoring people's trust and confidence in government is essential, ...because any economic reform must be backed by public understanding and support," said the Crimean president. Observers say Meshkov's unexpected public reappearance is linked to the Crimean Parliament crisis, and that the predicted resignation of the Crimean Parliament Presidium are raising the President's hopes of again becoming an important figure in Crimean politics. But, based on a recent public opinion poll, these hopes are not well grounded. Current public rating of Meshkov is much lower than that of President Leonid Kuchma, given that only 9.5 percent of respondents rated Meshkov positively, while Kuchma received 15.41 percent.

Kuchma Views Relations With Russia, West

MM0612132594 Moscow KOMSOMOLSKAYA PRAVDA in Russian 6 Dec 94 p 2

[Interview with Ukrainian President Leonid Kuchma by Olga Musafirova in Kiev; date not given: "Leonid Kuchma: Bare National Idea Has Failed"—first paragraph is introduction]

[FBIS Translated Text] Kiev—In the first 100 days of his presidency Leonid Kuchma has concluded that Ukraine is not only economically bankrupt but politically bankrupt as well. What next? This was the subject of the president's discussion with our correspondent.

[Musafirova] Leonid Danilovich, are you a tough guy by nature or....

[Kuchma] No. I think I'm a nice guy. At any rate, I get upset for days if anyone offends me or, God forbid, insults me—which has very rarely happened to me.

[Musafirova] I'm simply remembering your election posters—Kuchma in a black sweater with, you know, that promisingly stern look....

[Kuchma, laughing] And the slogan "I'll restore order!"

[Musafirova] Exactly. And everyone noticed that Kravchuk's picture alongside showed a smiling face—a person who probably would never raise his voice and had therefore allowed the people to go to pot. Would this other guy from the defense sector rule with an iron fist? So has a nice guy turned into a tough president? It seems to me—judging from recent steps in economic policy—that he has.

[Kuchma] That takes the question to a different level.... I think that I'm as tough as I need to be. Because I'm trying to get a handle on the current situation.

[Musafirova] For 100 days as president you have to all intents and purposes stayed silent, studying the situation, and you have concluded that during its period of independence Ukraine has become not only economically but politically bankrupt.

[Kuchma] That is obvious.

[Musafirova] We realize that loans and investment—and we will have to travel far in order to get hold of them—will be needed to save the economy. But how can Ukrainian politics be cured of its bankruptcy? The brilliant foreign policy successes of Gorbachev and Shevardnadze—they too were applauded in the West and given money—did not help them to preserve their own country....

[Kuchma] Our leaders could run any rich country with a stable economy that does not depend much on politicians.... But in our conditions virtually everything depends on politicians. Obviously and regrettably, the contradictions in society will grow in the immediate future. The Ukrainian Communist Party has already stated that it will be forming an opposition. Admittedly, the Communists have promised to support me when the reforms prove to be a success! What has the Supreme Council done? It adopted a decision by a majority vote to support the president's program and then, literally the next day, started debating and criticizing it. Well, you cannot cut people up and then walk round the operating table while they're dying! It is clear, of course, that there is already open confrontation in parliament. And there are no quiet months left for restructuring or land reform. So I do not expect any particular political easy ride. I am proposing my own draft law on power—on a strong executive.

As for saving the country, I have no doubt that our fate depends to a decisive extent on our ability to mobilize our internal resources as much as possible. This is the main principle of our new economic policy. Outside support increases our chances of halting the process of Ukrainian self-destruction. For this reason, we are naturally striving to make use of this factor.

[Musafirova] Leonid Danilovich, there have been changes to the "trio" of presidents who decided the fate of their countries in the Belovezhskaya Forest. Lukashenka has replaced Shushkevich, Kuchma has replaced Kravchuk.... Incidentally, had you been in the forest in place of Leonid Makarovich, would you have acted in the same way or would you have introduced any variations?

[Kuchma] I would have introduced some variations.

[Musafirova] Such as?

[Kuchma] There would still have been a centrifugal process, of course, but I would have tried for a "divorce," like in a decent family. If you have lived together and built a home together, then that home should be divided up in a way that does not destroy it but builds it anew. And I would have maintained our friendly ties with those with whom we have lived together for centuries. Leonid Makarovich either did not want to think about it or did not know that Ukraine is bound up with Russia—raw-material resources, markets—everything is there. But Ukraine was the first to state: "We do not need you, we are looking to the West."

[Musafirova] I have heard a theory that the delay in signing the Russian-Ukrainian Treaty of Friendship and Cooperation now is related to the decline of Boris Yeltsin's prestige in Russia and therefore there is no point in accepting any pledges for the future from that politician....

[Kuchma] No, I don't believe that! Whatever the attitude to Yeltsin within Russia, he is currently the guarantor of normal relations with Ukraine. Both Boris Nikolayevich and myself want there to be acceptable solutions for all the problems which exist in relations between our countries—and they do exist, that is no secret! Otherwise speculation will begin again. We need to finally reach agreement on the Black Sea Fleet. And not in the way we did on the Varyag aircraft carrier. If we had decided from the very outset that it would continue to be built as a Russian carrier, the Black Sea plant would have had plenty of work. But what happened? We have a pile of metal and we don't know what to do with it. Cutting it up would be even more expensive. And can you imagine the morale of people at the shipyard? It's terrible. That is the price of political mistakes—a price which the people are paying.

[Musafirova] Leonid Danilovich, nonetheless, when you became president you changed the image you had had as premier from a "Slavophile" to a "Westerner." Ukraine is looking for help, support, and advice from strong powers rather than from its post-Soviet brethren. But I would like you to dispel the traditional fears accompanying the country's entrance into the Western world. First, the loans currently being amassed will be a yoke round the neck of the next generation. And, second—by giving up its nuclear weapons Ukraine will cease to be of interest to the international community.

[Kuchma] Regarding the accession to the Nonproliferation Treaty, if I can put it in the language of the workers and peasants—our locomotive with its nuclear warheads left after the signing of the tripartite agreement between the United States, Russia, and Ukraine. We need to go further down the same track.

My pro-Western interests are just the same as Yeltsin's. Because we both know that the future lies with modern technology, and this will mainly come from the West.

Under our conditions it is more advantageous to take what has already been created and implement it. But this does not mean at all that relations with Russia should deteriorate in this connection.

[Musafirova] But you can already sense a spirit of rivalry between Kiev and Moscow over the distribution of the Western "benefactors'" sympathies!

[Kuchma] Of course. After all, we have been lagging behind in this area. Unfortunately, we are now competing to see how many dollars we can get from U.S. and other taxpayers. The realities are that Ukraine, with its huge negative balance of trade, cannot make do without loans and investment.

[Musafirova] In other words, it will be Ukraine's lot to live in debt?

[Kuchma] Not in debt, using loans. Most countries exist on this basis, and it is no tragedy for anyone. I was shown the deficit figures for Canada and the United States—terrifying! Admittedly, their economies are not as state-controlled as ours is.

[Musafirova] It is said that since student days you have been the life and soul of any party, that you love to sing and play the guitar, and that you generally find it easy to get on with people.

[Kuchma] Yes, I lived in hostels from the age of 17, when I came to study from the countryside. Then there would be long, month-long, field trips—again in a collective....

[Musafirova] I would like to know what your relationship with Leonid Kravchuk is like. Because I sometimes get the feeling—perhaps mistakenly—that the fight against the mafia and corruption at top levels of power (one of your election promises) has a specific goal. After all, you clearly stated that "in the three years of its independence Ukraine has become completely bankrupt." Does this mean that there is also a chief culprit for that bankruptcy?

[Kuchma] Before the election I did indeed state that the first president should go down in the country's history without a stain on his reputation. But that he should not run again. And, no, believe me, I never made it my task to blame Kravchuk for all our troubles and punish him.

[Musafirova] But are you in contact with him, do you see him?

[Kuchma] Very rarely—as a rule, at soccer matches. Admittedly, we recently agreed on a possible meeting—at the initiative of his foundation. When I gave up the premiership, incidentally, none of these "top people" had anything to do with me. And then there are things that have affected me despite myself. Why did the first president's team have to use the slogan "Kravchuk Means Peace, Kuchma Means War"? That went beyond all the bounds of dishonor.

It is hard to say these things. For instance, the fight against the mafia has in theory been under way for a long time; a committee was set up—but they did nothing! People are not blind. The black economy already accounts for 60 percent of our economy—if we wait a bit longer it will swallow the entire country.

[Musafirova] Does the rather harsh description that "Kuchma is just a transitional president" square with the actual state of affairs?

[Kuchma] If it is a transition to better times, then I don't mind.... (long pause)

Not everything in the current situation depends solely on the president. Ukraine has never been a state or had economists, diplomats, financiers, or administrators of its own—all our best people traditionally went to the Union ministries in Moscow. After all, in principle there was no other way—the director of a plant (even a very major plant) becomes prime minister! Or president. He should have been through an appropriate schooling, up through all the grades! Although there is one advantage—the lack of an acquired bureaucratic mentality.

People tell me that I have now become slightly different. Indeed I have. Because I'm president. And I am obliged to find ideas that unite the entire country, which is very heterogeneous. After all, we know from our history that one part of Ukraine developed with Austria-Hungary and Poland, while the other developed as part of Russia. The bare national idea which Leonid Makarovich and his entourage attempted to praise to the heavens has failed. There is a sober understanding of who we are and where we are. Consequently, this is a transitional period. And when we are over it, we will understand how to live in the future.

Chairman Views National Bank's Policy

WS0612153094 Kiev UNIAN in Ukrainian 1600 GMT 28 Nov 94

[Interview with National Bank Chairman Viktor Yushchenko, by Iryna Chemerys; place and date not given, from the "Reviews, Commentaries, Outlooks" feature No. 47 (78) 22-29 Nov 94]

[FBIS Translated Text] [Chemerys] You are often referred to as an advocate of "expensive money." Now, when the National Bank's monthly discount rate has been increased to 25 percent, are you satisfied with the price of money?

[Yushchenko] Speaking theoretically, while fixing that rate the National Bank management made a correct assessment. Although our suggestion has not met with a favorable reception, things are getting better now: We have the October statistics, which demonstrate that the monthly inflation rate was 22.7 percent. Thus, we have hit the mark and fixed a positive interest rate.

I think that most government members currently share the view that money should have a normal price. This policy is very similar to our strategy in other sectors of the economy. For instance, we want to improve the situation in agriculture. That sector is primarily afflicted by a policy of cheap agricultural products. Due to central-administrative methods of price regulation, people's mentality is accustomed to a low bread price. However, the situation in the agrarian sector will not improve until the producer is motivated to work.

Today, when we proclaim that 95 percent of prices should be liberalized, it would be logical to believe that the same trend should exist at the money market. Sooner or later, everybody will understand that fixing a normal price for money does not amount to paying more money to the banks. The latter are using the money that belongs to concrete economic structures. When inflation swells, those structures try to save their assets. How? Naturally, through increasing interest rates.

[Chemerys] Has the government already applied for National Bank credits at the new higher price?

[Yushchenko] Not yet. The only thing we have already done—we have transferred a part of our current profits to the government. This is not a big sum, however it is sufficient to help the government resolve some of its urgent problems.

[Chemerys] Certain newspapers have reported that the National Bank is going to annul the recently fixed reserve norms for hard currency assets and overdue credits. Is that true?

[Yushchenko] We have held a national bankers' conference, where we tried to reach an understanding with commercial banks. The National Bank emphasized that the radical stance taken by its management with regard to regulating the volumes and price of money (the moratorium and the discount rate), will remain unchanged under any circumstances. However, we agreed to compromise on reasonable terms.

For instance, we demand that the hard currency capital owned by commercial banks be reserved at the National Bank. This is an international norm not questioned by anyone. However, commercial banks find it hard to reserve 15 percent of hard currency assets within 10 days and under the conditions of the hard currency moratorium. We understand that this is a justified objection, and agreed to a gradual—within four weeks—transition to the new norm. This is how we resolved the issue of a 20 percent reserve of overdue and prolonged credits. For assets which have no perspective, even this threshold is too low. Why have we introduced it anyway? If a banker knows that he will not be repaid the credit that he once issued, let him get ready for this. We have agreed to take into account the banks' actual potential and to draft a timeframe, under which the new norm would have been accepted by 15 December.

[Chemerys] Many banks, which failed to build up a constitutive capital of 3 million ECU, have been waiting for the end of the year, like sinners for doomsday. However, it seems that doomsday has been cancelled. What prompted the National Bank's decision to "soften" the declared principles?

[Yushchenko] We have reached a reasonable compromise with the banks. It is evident that the national banking system is currently living through a financial crisis. For instance, the banking capital increased 15 times in 1993, and the enterprises' working capital increased 38-fold. Of course, under those circumstances the National Bank's demand that banks accept the European standard appears to be excessively tough. However, we should realize that our economy needs an adequate banking capital capable of serving it. If commercial banks are unable to accumulate the necessary funds someone else will do it, but they will not be Ukrainian banks. Capital knows no borders; it penetrates through them and may appear camouflaged as Ukrainian capital, although in fact it will be foreign. Realizing that, the National Bank stresses that the national banking field should be cultivated by the Ukrainian banks. However, the only thing the National Bank can do in that situation—is become less exacting with regard to deadlines, and postpone the observance of a fixed norm until a later date for those structures, that will not manage to do so by the end of the year. In the meantime, the National Bank will be correcting the activities of those banks, that is to say that those banks will be permitted to carry out solely such operations which do not destabilize the banking system.

In general, the accumulation of the banking capital is a form of minimizing risk. Banks should not gamble only with money that belongs to someone else. They should build up their own capital and risk it, too. I must say that most bankers treated our standpoint with understanding. Indeed, why should we create equal conditions for those who meet the standards and those who do not? The behavior of such banks is like the behavior of infected people—they can operate for a year causing no harm, or can spread the infection throughout the banking system within a couple of days.

[Chemerys] How and when will the National Bank isolate that "infection"?

[Yushchenko] First of all, we are going to do this by limiting the number of operations by those banks which have not built up their constitutive fund. This innovation will be introduced at the beginning of 1995 by a National Bank resolution. Later, it would be expedient to add a clause to the Law on the National Bank about licensing banking operations. The National Bank will then be able to not simply block a certain bank, but to license its operations.

[Chemerys] It is evident that the current curbing of the credit activities may result in limiting bank operations with deposits, which has facilitated anti-inflationary measures.

[Yushchenko] I think that the August success, when inflation dropped to 2.4 percent, was greatly due to the 35-percent increase in deposits. This, indeed, is a form of engaging "hot" money. A decrease in the volume of deposits is going to accompany inflation, given that under high karbovanets devaluation rates, money owners have no interest in depositing their funds in banks. To compensate for the losses through interest rates, a bank would have to pay a monthly interest of 25 percent. To do so, a bank would have to finance a project that would reap a profit of 300 percent. Can you imagine such a profitable project?

It is not the banks' fault that the volume of deposits is going down; banks are interested in liabilities, given that a rational structure of liabilities guarantees success on the asset market. Under inflation, the curbing of the money supply should be achieved through hard currency and commodity injections, as well as credit moratoriums, which is much more efficient, although quite painful.

How can we alleviate the pressure of the 71 trillion unbacked karbovantsi which are currently in circulation? We believe that it can also be achieved by energetic activities of the hard currency exchange. While intervening in the hard currency exchange, the National Bank removes money from circulation. This is a "soft" form of regulating the monetary supply. We could take tougher measures, but the economy does not welcome repressive actions. It is much better to use economic stimulation. In particular, the spiral of inflation should be responded to with an expansion of the market and introduction of more commodities, which would absorb the flood of unbacked money. For instance, privatization serves to expand the commodities market. Convertible currency, as well, is a kind of new product which impedes the growth of prices.

[Chemerys] Thus, the liberalization of currency exchange sessions should be viewed from this perspective?

[Yushchenko] All categories of contracts have already been authorized to take part in sessions. The aforementioned liberalization, however, should not be an aim in itself, but rather a result of many processes that can affect the correlation between supply and demand. Thus far, we have received an IMF loan, which is comparable to the total sum of money given to the government in 1994. Nevertheless, this is a miserable sum unable to significantly regulate hard currency streams. Thus, more persistent measures should be taken.

The annulment of the fixed hard currency exchange rates has undoubtedly had a positive effect on increasing the hard currency supply. Still, we feel the negative effect of barter and dollar deals, because in those cases hard currency bypasses the currency exchange. Barter deals were once a leeway for exporters to evade taxes—companies were afraid to be paid money. We have suggested that the government restore the tax on barter operations and if we reduce the volume of barter operations threefold, we would see an increased turnover on the currency exchange.

I would like to point out that while discussing the limiting of dollar commercial operations we had an argument with the government. We believe that dollars should only circulate in exchange outlets. Meanwhile, more than 1,000 licenses have been issued so far for hard currency trade. In 1994, the turnover of those companies reached $150 million. This is not a tremendous sum, but it, too, could be used to solidify the national currency.

Kuchma, in Letter to Moroz, Notes Economic Legislation Plan

LD0612221594 Kiev Radio Ukraine World Service in Ukrainian 2000 GMT 6 Dec 94

[FBIS Translated Text] Ukrainian President Leonid Kuchma has replied to Supreme Council of Ukraine Chairman Oleksandr Moroz's letter of 29 November of this year about legislative provision for economic reform.

I profoundly share your concern, the letter says, at the slow formation of a fully fledged legislative basis for the new economic policy. To provide for the latter legislatively, it is necessary to pass more than 200 laws, presidential directives and instructions and Cabinet of Ministers resolutions in Ukraine.

I deem it possible, the letter from Leonid Kuchma to Oleksandr Moroz says, to draw your attention to the fact that a new economic legislation today is in fact being drawn up solely by executive structures, with the government being immediately responsible for everyday management of the national economy, settlement of the issues of providing the population, enterprises and organizations with energy, and maintaining the operation of transport, communications and the population's social security etc. It is precisely the executive authorities that were entrusted with the major task of ensuring the survival of society in the difficult autumn and winter period.

In view of the above, I cannot but question the legitimacy and propriety of the parliamentary leadership's criticism of the government structures for untimely legislative provision for reform.

The Supreme Council of Ukraine unites over 400 people's deputies and several hundred responsible officials at its secretariat, which potential is sufficient to lay a legislative foundation of the new economy.

I fully share your concern, the letter goes on to say, at attempts artificially to incite confrontation between the legislative and executive branches of power. All of us, however, have at the same time to realize that unsubstantiated endeavors by some of the people's deputies to suspend some of the first presidential directives and governmental decisions that are aimed to step up reform, indeed, complicate stabilization in the economy and inflict direct material losses. Apart from that, this is illogical, as the Supreme Council by a majority of the votes backed the new economic course by the president.

For our common aspirations of a more active legislative process to materialize, I would like to propose setting up a coordinative council to deal with legislative initiatives, which council could unite parliamentary, governmental and presidential representatives, promote convergence between views on the contents of draft laws, prioritize the legislative acts to be passed and coordinate joint activity of governmental and parliamentary institutions in drawing them up.

With your consent, Leonid Kuchma's letter to Oleksandr Moroz concludes, I am ready to sign a joint decision on this.

Guided Missiles, Antiaircraft System Missing From Depot

AU0712112494 Kiev MOLOD UKRAYINY in Ukrainian 6 Dec 94 p 1

[Unattributed report published under the rubric "Fact"]

[FBIS Translated Text] A few days ago, in Rivne, during an unexpected inventory at a weapons dump in one of the military units, two guided missiles and a "Igla" [Needle] surface-to-air missile system were found... missing.

New Defense Minister Facing 'Tension' With General Staff

MM0612152194 Moscow KRASNAYA ZVEZDA in Russian 6 Dec 94 p 3

[Report by Anatoliy Polyakov: "Ukrainian Army Has Difficulty Accepting Civilian As Defense Minister"]

[FBIS Translated Text] Kiev—The new Ukrainian defense minister, Valeriy Shmarov, who immediately revealed himself to be a determined person, is beginning to experience significant problems in his relations with the Armed Forces high command. And this is in no way due to the fact that more than 40 colonels who were expecting to be made generals have abandoned that hope: On Shmarov's initiative the recommendations were revoked and the officers are preparing to be discharged. Nor is it due to the straightforward amd candid way in which he talks about the Army's problems.

The tension has serious causes. The behind-the-scenes struggle at the top in the military department recently came out into the open. Speaking at an Institute of Journalism academic council session, Army General Anatoliy Lopata, chief of the General Staff, said that "although Shmarov is a fine specialist, the forces are not prepared to accept a civilian as defense minister, because it could cause certain problems."

The military had initially expected that Valeriy Shmarov would help the army as a vice premier, which he still is, but did not bargain for his desire to carry out reforms in the Army in his own way and cut it. There are 114,000 officers serving in the Ukrainian armed forces at the moment. This year they were joined by 10,000 graduates of military academies. Ukraine is simply not in a position to maintain the Army as it is at present. The forces are receiving a pitiful amount of fuel. Checks have shown that combat readiness is minimal. For example, in the Western Air Defense Region, commanded by Major General Viktor Tkachenko, only 16 percent of the flight schedule was fulfilled.

All this put together is creating tension in relations between the General Staff and the new defense minister.

Energy Minister Views Sector Problems

WS0712120094 Kiev DEMOKRATYCHNA UKRAYINA in Ukrainian 1 Dec 94 p 3

[Interview with Vilen Myronovych Semenyuk, Ukrainian minister of power engineering and electrification, by O. Hryhorenko; place and date not given: "One Cannot Heat His Home With Debts"—first paragraph is DEMOKRATYCHNA UKRAYINA introduction; questions published in boldface]

[FBIS Translated Text] Winter is approaching, and the "power engineering issue"—before a matter of concern only to experts and managers—has become the subject of our joint worries, and the focus of attention of our newspapers. Emotions related to this issue were fueled by the first November frosts which reminded us of cold weather. We have been receiving numerous letters expressing one common anxiety: Will our houses be connected to the central power grid? Will our houses be heated?

[Hryhorenko] Analyzing the letters devoted to the "power engineering issue," I caught myself thinking that I would like to raise a categorical question, which is rather banal but typical to our mentality: Where is the prosecutor's office and the ministry? On the one hand, our readers are furiously complaining about power engineering authorities who are disconnecting entire enterprises and housing complexes from the central power grid. On the other hand, workers of our power engineering complex are complaining about their inability to provide stable work due to fuel shortages. So, we were forced to raise these questions. A letter written to the president by a working collective of the state regional electric power plant in Trypillye was also devoted to this issue. Our editorial office has received a copy of this letter.

[Semenyuk] To my regret, both workers of electric power plants and electricity consumers have more than enough reasons for being concerned over the situation. I have to admit—I voiced this opinion at all levels, including meetings of the Interdepartmental Commission for Power Engineering—that our sector is not properly prepared for work in the winter.

As for equipment of electric power plants and electricity grids, we have repaired it on time and with fair quality. We have also managed to put these facilities into operation, though with great difficulty. In addition, we have latent production facilities to produce electricity for export. We did such things before and both the sector and the state received hard currency revenues from such operations. We have no such opportunities now. We are short of fuel. A lack of fuel triggered the current crisis in the entire sector.

Such a problem first emerged last year when coal extraction decreased considerably. The situation became aggravated this year because we were compelled to carry out preventive repair in July- September to increase reliability and safety of our nuclear power plants. Our ministry, frankly speaking, was also responsible for delays in repair because we had no opportunity (due to a lack of funds) to settle our debts for electricity generated by nuclear power plants in a timely fashion. Therefore, they, in turn, were unable to purchase materials and spare parts to carry out repairs. As a result, some 9 billion kilowatts of electric energy—if compared with last year—have been underproduced.

[Hryhorenko] Does this imply that thermal power plants had to produce this amount of electricity?

[Semenyuk] Yes. Some 4.5 million tonnes of coal have been burned. It turned out that we had to work in the summer according to winter rules. Therefore, we have failed to store fuel for the winter. In addition, miners have let us down. They delivered between 95,000 to 100,000 tonnes of coal daily last year. Beginning in July 1994, their deliveries dropped to 60,000 tonnes daily. To provide stable work in the sector, we require a minimum of 90,000 tonnes daily.

[Hryhorenko] By the way, this amount was specified by a presidential decree issued in August. Does this imply that this decree is not being implemented?

[Semenyuk] To my regret, it is not being implemented. The amount of undelivered coal is constantly growing, and electric power plants have no reserves; they have to wait for cars loaded with coal to reach their production capacities. There is a similar situation with deliveries of residual fuel oil. According to the aforementioned decree, we should receive no less than 25,000 tonnes of residual fuel oil daily, while we are receiving only between 9,000 to 10,000 tonnes. By the way, private companies are key deliverers of residual fuel oil, so their prices are .... When we receive residual fuel oil from abroad, we have to pay for it in rubles or dollars. Chronic nonpayments have brought us to our knees. Suffice it to say that we receive payments for only 60-65 percent of generated electricity. This is hardly enough to pay for coal and gas.

[Hryhorenko] A gloomy picture.... Is there no way out of this predicament? You have provided the reasons, which have led to this crisis, however, they do not improve the general situation. Your reasons, if I can put it that way, provide us with neither electricity nor heat. What should be done to overcome the energy crisis?

[Semenyuk] Of course, there is a way out. The government knows about our proposals. Their implementation is another issue. I am referring to the resolution of the fuel crisis. In my opinion, the newly established Ministry of the Coal Industry will assist in resolving this issue. First of all, it is necessary to reach the 90,000-tonne level of daily coal extraction that was foreseen by the presidential edict. If this condition is not met, we will be forced to disconnect various institutions and enterprises from the central power grid to regulate the situation. As is known, we cannot store electricity. Generated electricity is consumed as soon as it is generated.

Our sector needs state support. I am referring to favorable credits. We, in fact, are currently granting credits to our consumers because we are lending them our electricity. Budget-financed organizations have amassed debts in the amount of some 3 trillion karbovanetses [K]. Our sector's debts have risen to K18 trillion.

In my opinion, the government should issue a resolution regarding deliveries of residual fuel oil. All reserves of residual fuel oil in Ukraine should be used for the needs of the power engineering sector.

These are the two priority directions for resolving the energy crisis in Ukraine. If we have fuel and funds to purchase it, we will overcome this crisis. There is no other way out.

Of course, we have many other problems. They, however, are typical for the entire economic system of Ukraine. For example, one of these issues is related to the initial value of basic capital. The initial value of our sector's basic capital—standing at K1.2 billion—is recovered within 10 years. This is a paradox [as published].

Construction of any facilities in our sector has been suspended. We cannot even afford to increase the volume of our ash collectors. What should we do with the ever-increasing amounts of ash, which increase by 40,000-50,000 tonnes a day?

[Hryhorenko] All of us are currently relying on state support. Vilen Myronovych, your sector is not an exception. What about a transition to a market economy? Are you going to rely on state support as well?

[Semenyuk] Your newspaper, by the way, is one of the few newspapers, whose journalists tried to clearly explain the essence and objectives of the presidential edict as to how our sector should be prepared for a transition to a market economy. Therefore, I will remind you of the primary tenets of the presidential edict for implementation toward which we are gradually moving.

First of all, the point is to establish a market for electricity, attract foreign and national investments, reduce production cost for electricity, and, finally, reduce prices for electricity.

All these measures are being supported by the international community. Mr. White, U.S. under secretary of energy, has recently paid a visit to Ukraine. He has assessed our initial steps along a path toward market relations rather highly. Agreements for granting favorable credits to modernize our hydroelectric and thermal power plants and to resolve environmental issues have been signed.

[Hryhorenko] This opens attractive and, I hope, genuine prospects for us. We are currently concerned by the current situation in the power engineering sector. We have every reason to assume that we will suffer from the cold this winter. In addition, prices for electricity will most likely grow. Will Ukraine become poorer? Will we suffer from the cold?

[Semenyuk] Let us jointly discuss such issues. The current price for electricity for our population is four to five times lower than its production cost. Our sector—power engineering is one of the most profitable sectors throughout the world—is unprofitable. I am referring to the current situation in our sector. What is the way out? We could achieve results if three conditions are met: Electricity tariffs should be raised to the level of genuine cost for production of electricity; subsidies to cover expenses for electricity bills should be granted to the least well-off segments of the population; and the nonpayment crisis should be surmounted. We should realize that we cannot heat our home with debts.

I would like to emphasize that power engineering does not suffer from any crisis, we are suffering from nonpayments. If we had managed to overcome the nonpayment crisis, the working collective of the state regional electric power plant in Trypillye, headed by M. Krasnoshtan, would not have written a letter to the president of Ukraine.

Belarus

Deputy Premier Explains Decision To Resign

LD0612191294 Moscow INTERFAX in English 1536 GMT 6 Dec 94

[From the "Presidential Bulletin" feature compiled by Nikolay Zherebtsov, Andrey Petrovskiy, and edited by Vladimir Shishlin]

[FBIS Transcribed Text] Deputy Prime Minister Viktor Hanchar on Tuesday said about his intention to resign.

Interfax learnt from well-informed sources that his resignation was caused by the fact that he disagrees with some recent decisions by Alyaksandr Lukashenka, as well as by 'the unsound working atmosphere in the president's team."

The source claims that Hanchar intends to stand for elections to a new parliament, which are scheduled for spring 1995. IF Note: Viktor Hanchar, 37, is the youngest member of the new Cabinet. He is a member of the People's Accord Party, whose leader Gennadiy Karpenko is described by Minsk observers as one of the main opponents of the president. Hanchar was a proxy for Lukashenka at the presidential elections. While in the government, he was in charge of problems of labor, employment, social protection of the population, press and science.

Government To Expand Market-Based Pricing

LD0612220794 Moscow ITAR-TASS in English 2119 GMT 6 Dec 94

[By BELINFORM correspondent Mikhail Zhuravovich]

[FBIS Transcribed Text] Minsk December 7—Belarus will once again "liberate" its domestic prices on Wednesday [7 December].

"The transfer to market pricing has been brought about by economic emergency and coordinated with the president for this once," Belarusian Mikhail Mikhail Chyhir told a news conference on Tuesday.

The transfer will be accomplished stage-by-stage.

On Wednesday, December 7, prices for dairy products will increase by 50 percent; prices for bread and bread products and pork will rise by 30 percent; beef prices—by 20 percent.

The cost of modern conveniences and communal services will also go up stage-by-stage.

The government has to take these unpopular measures with an eye to going ahead with the dialogue with the International Monetary Fund, because Belarusian can hardly revive its economy unless it falls back on financial support from IMF. Besides, the rise in foodstuff prices will prevent these foodstuffs from leaking into Russia, Latvia, Lithuania, Estonia, Ukraine and other countries, where they cost much cheaper, than in Belarus, Chyhir said.

Commenting on the fact that the government deviated slightly from market price formation last month, Chyhir said that the move "enabled Byelorussian population to save 103 billion rubles, but worsened the commodity-money imbalance".

The premier, however, failed to specify, people from what walks of life had managed to put away such a large sum of money.

Chyhir hinted that neither wage nor salary increases are to be expected for workers employed at state-run enterprises in the nearest future.

The government only managed to allot 20 billion rubles for ensuing distribution among the underprivileged.

Legislators Discuss Economic Ties With Polish Counterparts

WS0712100094 Minsk Radio Minsk Network in Belarusian 0400 GMT 7 Dec 94

[FBIS Translated Text] At the invitation of Jerzy Kolakowski, chairman of the Polish Sejm Commission for Industry and National Economy, representatives of the Belarusian Supreme Soviet Commissions for Industry and Public Services paid a working visit. The two sides analyzed the current status of Polish-Belarusian economic and trade ties, and prognosticated their further development. The Polish side noted the positive development of partner-like relations and drew the guests' attention to the fact that the Belarusian side failed to fulfill an entire range of responsibilities, particularly, regarding the establishment of the Belarusian-Polish Commercial Bank.

Moldova

PSM Congress Want To 'Broaden' Left-Wing Bloc

AU0612134294 Chisinau INFOTAG in English 1940 GMT 5 Dec 94

[FBIS Transcribed Text] Chisinau INFOTAG, 5/12/1994—The Socialist Party [PSM] Congress, held last Saturday in Chisinau, adopted an appeal to the Moldovan people, in which the party presented its attitude to most burning problems faced by the republic, party Co-Chairman Victor Senic told INFOTAG.

Having pointed out the catastrophic situation in economy, in social and spiritual life, the party spoke for a soonest possible restoration of Moldova's integral economic area; for revision of the government's commitments with the International Monetary Fund which influenced, to a certain extent, the breakup of the economy and spiritual life; for stopping illegal privatization and for a more active privatization for patrimonial bonds, which can become an additional sources of survival for the population; for prohibiting land sales and their replacement with long-term lease; for a resolute struggle against corruption and crime.

The congress adopted Party Charter which determines the Socialist Party as a party of historic memory, a party for overcoming the crisis, a party of social justice, national equality, a party of Moldovan re-integration and strengthening of statehood.

The congress stressed the necessity to broaden the bloc of left forces, primarily by attracting the Communist Party to it, bearing in mind the forthcoming local elections.

Kazakhstan

Foreign Minister on Upcoming Yeltsin Visit

LD0712094794 Almaty EKSPRESS in Russian 2 Dec 94 p2

[FBIS Translated Text] Russian President Boris Yeltsin will possibly pay a visit to Kazakhstan before the end of the year. Here is an interview with Kazakhstan's Foreign Minister Kasymzhomart Tokayev.

[Question] At what stage are preparations for the Kazakhstan-Russia summit?

[Tokayev] Today the possibility of an official visit by Yeltsin to Kazakhstan in December is being worked on. An agreement on a visit was reached by the presidents of the two countries in March.

Recently I sent a letter to Russian Foreign Minister Andrey Kozyrev, confirming the intention of the Kazakh side to hold such a summit. to all appearances, in the near future the president of Kazakhstan will send a personal message about this to the head of the Russian state. I would like to stress that the issue of a bilateral summit is still being elaborated. A final understanding has not yet been reached.

[Question] Won't Yeltsin's restrained reaction to Nazarbayev's idea of creating a Eurasian Union affect bilateral relations?

[Tokayev] First, the president of Russia has not rejected the concept of the Eurasian Union, he has only pointed out that maybe it is ahead of its time. As a working diplomat, I can note that this concept has no negative affect on the nature of our bilateral relations. Russia is and will be our priority partner in foreign policy for many years to come, probably forever. We are "fated," in the better meaning of the word, to live together.

As for the idea of the Eurasian Union, I would point out that the major achievement of the October summit was that the concepts of the Eurasian Union and the CIS have been brought into harmony, and they will be used to develop the existing Commonwealth. The concept of the Eurasian Union contains considerable positive potential directed toward the future. At the same time, it would be desirable for the Commonwealth to adopt a special document guaranteeing calm, stability, and security in the CIS.

[Question] What do you intend to discuss during the summit?

[Tokayev] At present simultaneous preparations for the summit of CIS heads of state and the bilateral Kazakhstan-Russia summit are under way. A state commission led by First Vice Premier Nigmatzhan Isingarin has held talks in Moscow and took part in the first meeting of the International Economic Committee. An agreement on leasing Baykonur was initialled. Talks on citizenship were held with A. Mikitayev, chairman of the Russian Presidential Committee on Citizenship, and at the Foreign Ministry.

[Question] Have the positions of the two sides changed on this issue?

[Tokayev] We greatly respect the state doctrine of Russia with regard to dual citizenship. We noted the report by Mikitayev, that over 25 million potential citizens of Russia reside on the territory of the CIS and over 50 million throughout the world, who by registering can obtain Russian citizenship.

At the same time, we asked them not to reject our concept, which arises out of the real situation in Kazakhstan. The demographic situation in the republic is such that the institution of dual citizenship could be a serious source of destabilization in the country with serious consequences. People should not be divided into two grades—those who have two passports and those who will have only one. It is not only the Russians who could demand a second citizenship. Besides, the United Nations and other international organizations do not consider the concept of dual citizenship useful.

I think one should not ignore the specific character of the different republics of the former USSR. What is possible in Turkmenistan may be unacceptable in Kazakhstan and the Baltic states.

[Question] As is known, documents are currently being prepared for signature which will regulate the problems of obtaining citizenship.

[Tokayev] We think that they might remove the tension which exists among some parts of the population, especially in Kazakhstan.

It is a matter of an agreement on a simplified procedure for obtaining citizenship and also of an agreement defining the legal status of Russian citizens residing in Kazakhstan, and vice versa. The documents are virtually ready for signing. Only some insignificant details have still not been agreed, in particular a single opinion has not yet been reached on the issue of the posts which the citizens of one country residing on the territory of another can hold.

I think that all the issues relating to citizenship will be settled during the talks. We intend to discuss this yet again with the Russian foreign minister during my working visit to Moscow in the middle of December.

[Question] What is your attitude to the fact that, according to data from the State Statistics Committee, emigration from Kazakhstan has increased; during the first six months 220,400 people left and it is expected that by the end of this year their number will be over 400,000, of which Russians predominate in number—57.2 per cent?

[Tokayev] It is a pity that Russians are leaving—qualified teachers, industrialists, and doctors.... I would like to believe that only economic problems can be blamed for this. However, as the president pointed out in his address to the Supreme Council session on 9 June, there are some incidents relating to the political and social feelings of people. Of course, these problems must be overcome. I cannot imagine Kazakhstan as a monoethnic state. It should be multinational with the predomination of two main races: the Slavs—Russians and Ukrainians, and the Kazakhs, with the Uighurs, Tartars, and others close to them in culture and history.

We underestimate the potential of multi-ethnicity. According to political scientists, in conditions of a correct economic and social system, multi-ethnic states have good prospects for the next century. As a whole, in order to stop emigration, a national Kazakhstan idea is necessary. I am a supporter of the concept of Kazakhstan's people, who have been living here from time immemorial, who have contributed to its development and who are united by a national Kazakhstan idea.

[Question] To what extent is the problem of the Cossacks real, in your opinion?

[Tokayev] The problem of Cossacks is a very delicate issue. Undoubtedly, they have the right to develop their original culture and traditions. I understand that military uniforms and weapons are part and parcel of Cossack culture. However, this is also part of the culture of the Chechens and Ingushetians. What are we going to arm ourselves with—knives?

I would like to emphasize that it is regrettable that the Cossacks held an unsanctioned meeting in Almaty on 19 November and did not show restraint and self-control. This action violates legislation and insults authority, the authority which is seeking to support stability in the republic. Stability is a part of international relations. Political scientists consider that stability in such a large country as Kazakhstan contributes to international security. People who try to shake it are taking great responsibility upon themselves, including on an international scale.

Nazarbayev Welcomes NPT Security Guarantees

LD0612184594 Moscow INTERFAX in English 1536 GMT 6 Dec 94

[From the "Presidential Bulletin" feature—compiled by Nikolay Zherebtsov, Andrey Petrovskiy; edited by Vladimir Shishlin]

[FBIS Transcribed Text] President Nursultan Nazarbayev described the security guarantees to former USSR's republics that had joined the Nuclear Nonproliferation Treaty [NPT] as an historical step.

He told journalists in Budapest where a CSCE summit is being held that the guarantees had been made possible by the tenacity shown by the Ukrainian parliament and president and Kazakhstan's efforts.

Answering an Interfax question Nazarbayev said that the guarantees of security, border inviolability and nonaggression with the use of any weapons were the most important guarantees.

Ukraine, Belarus, Kazakhstan, Russia and the U.S. exchanged ratification documents of the SALT-1 in Budapest Monday [5 December]. The treaty signed earlier by the U.S. and the USSR now applies to the four former Soviet republics as well as the U.S.

Under the SALT-1 Ukraine has to remove 36 percent of the nuclear warheads and 42 percent of the missiles and strategic bombers from its soil.

Nazarbayev Decree Establishes Military Police

MM0612142794 Moscow PRAVDA in Russian 6 Dec 94 p 4

[Report by Tleuzhan Yesilbayev: "Kazakhstan Will Have Military Police"]

[FBIS Translated Text] Alma-Ata [Almaty]—Reports that servicemen desert their posts and commit criminal acts have frequently appeared in the Kazakhstani press. The state of discipline in the armed forces was the subject of discussion at a session of the republic's Council for Combatting Crime. Now an decree by President Nursultan Nazarbayev has been adopted "On Measures To Strengthen Military Discipline and Intensify the Struggle Against Lawbreaking in the Armed Forces of the Republic of Kazakhstan."

Alongside other important measures, this document plans to create so-called military police. Their main task will not only be to combat lawbreaking among servicemen, but also to organize crime prevention work and maintain public order in military cantonments. Nevertheless, the question arises as to whether the military police will only fulfill these functions.

Cossacks Become Authorities' 'Biggest Headache'

MM0612141194 Moscow SELSKAYA ZHIZN in Russian 6 Dec 94 p 3

[Report by Petr Verdin: "Not Wanted..."]

[FBIS Translated Text] Deputy Sherkhan Murtaza wrecked the measured course of the latest session of the Supreme Council of the Republic of Kazakhstan with his speech "on procedure." The purport of his rousing speech may be reduced to a single sentence: How much longer will we tolerate the tricks of Cossacks in Kazakhstan!

At the same time the republic's Ministry of Justice, Ministry of Internal Affairs, and Prosecutor's Office launched a decisive offensive against those who have "thrown aside all restraint." This was prompted by an unsanctioned rally which the Cossacks held in Alma-Ata [Almaty] under surveillance by an overwhelmingly large Special Purpose Militia Detachment. Gathered outside

St. Nicholas' Cathedral, they demanded that the authorities resolve the Cossacks' urgent problems. But a meeting with K. Suleymenov, the president's state counselor, produced only a charge against the Cossacks of holding an unsanctioned rally with weapons—the law enforcement organs counted...whips as weapons—and of encroaching upon the republic's sovereignty (the Cossacks adopted a resolution with a decision to "start collecting signatures for a referendum to be held on Kazakhstan's joining Russia as a component of the Federation with the rights of an autonomous entity"). After reminding the "Society To Assist the Cossacks of Semirechye" of other sins as well, the Ministry of Justice suspended its activities for six months.

This turn of events, however, has not greatly upset the Semirechye Cossacks. "Well," one of them said in conversation with me, "we will operate underground, like our comrades in other oblasts." There are unregistered Cossack formations in all parts of the republic. They have become the biggest headache for the authorities in Kazakhstan. A compromise is needed on both sides in order to remove this headache.

Kyrgyzstan

Akayev Proposes Simultaneous Parliament, Local Elections

LD0612191894 Moscow INTERFAX in English 1536 GMT 6 Dec 94

[From the "Presidential Bulletin" feature compiled by Nikolay Zherebtsov, Andrey Petrovskiy, and edited by Vladimir Shishlin]

[FBIS Transcribed Text] Kyrgyz President Askar Akayev proposed on Tuesday [6 December] at the meeting of the commission for local self-government reform that the elections to the republic's parliament (legislative assembly and assembly of people's representatives) be held on February 5 simultaneously with the elections to the district and regional councils. He believes this would ensure "genuine democratism" of legislatures and guarantee the observance of the principle of power-sharing at provinces.

Earlier it was planned that regional legislatures would be formed from among delegates of the local self-government bodies (local elections took place on October 22).

Akayev said that functions of local legislatures are to be concretely determined and that basis should be created for a constructive and equal cooperation with regional administrations.

The president said that simultaneous parliamentary and local elections will economize state financial means.

It is expected that soon Akayev will issue a decree on local elections.

Criticizes Draft 1995 Budget

LD0612191594 Moscow INTERFAX in English 1536 GMT 6 Dec 94

[From the "Presidential Bulletin" feature: compiled by Nikolay Zherebtsov, Andrey Petrovskiy, edited by Vladimir Shishlin]

[FBIS Transcribed Text] President Askar Akayev believes that the 1995 budget draft keeps the revenue unduly low and the spending unduly high. (IF Note: The revenue is reduced by 11.6 percent while the spending is increased by 25.3 percent on 1994).

He told a government meeting in Bishkek that the revenue should amount to 27-28 percent of the gross domestic product rather than 23 percent as in the draft. Akayev is convinced that this can be achieved if 80 percent, rather than 50 percent as now, of the taxes are indeed collected.

The spending, 37 percent of the GDP, calls for the strictest possible saving of cash, Akayev said.

He suggested that the spending should be reduced by cutting 45 million soms of the administrative costs.

Akayev admitted that the government had not succeeded in reducing the budget deficit to 4 percent of the GDP in 1994. He expects the 1995 budget deficit to stay within 12 percent of the GDP. IF Note: The 1994 budget deficit is expected to be 8.2 percent of the GDP. The 1995 GDP is planned to be 17.2 billion soms, compared to 10.88 billion soms in 1994.

Akayev believes that the foreign debt is likely to make meeting the 1995 budget targets a difficult task. Kyrgyzstan will have to pay its creditors $100 million, of which $62 million to CIS member states, notably $42 million to Russia.

Akayev suggested following in the footsteps of Russia and issue gold certificates and gold bonds. In his view, this is a realistic way to pay $50 million to $60 million of the foreign debt while the amount appropriated for this purpose in the budget could be used in social programs.

Social programs will account for 60 percent of the 1995 budget compared to 54 percent in 1994.

Akayev emphasized that the social policy was the highest priority in 1995.

He admitted that the production decline could not be stopped in 1995 but could be slowed if foreign credits were properly used.

Akayev supported the government's intention to appropriate more for law and order in 1995 but also wanted to increase the defense spending.

He said it was essential that inflation should be reduced to 40 percent a year. In his view, the som could be consolidated by pursuing a tight anti-inflationary monetary and crediting policy. Confidence in the national currency guarantees confidence in the state, he argued. IF Note: A final draft of the Kyrgyz 1995 budget will be compiled before December 20, 1994.

Security Official on Widespread Corruption

LD0612175794 Bishkek SLOVO KYRGYZSTANA in Russian 29 Nov 94 p 3

[FBIS Translated Text] "Kyrgyzstan is a country of beautiful mountains, lakes, and corruption." This is the headline of an article that was recently published in an Amsterdam newspaper. I think it tells its own tale. While we are still arguing about the presence of the phenomenon in our republic, it is developing and gathering strength, and in short, penetrating the top echelons of power.

The power structures that have obtained the long-awaited and renewed legislation, frankly speaking, are not coping with their work. However hard the head of the law-enforcement department tries to convince us of the monthly decrease in the crime rate, life shows that this is a bluff. Moreover, violation of the law by the guardians of the law themselves is becoming a wide spread phenomenon. To say nothing of such things that appear to be trifles now, such as the untidy appearance, in contravention of regulations, of the guards of order who lazily spit sunflower husks somewhere at the crossroads. Today a SLOVO KYRGYZSTANA correspondent's questions are answered by Oleg Yakovlev, an official of the Department for Fighting Corruption, Smuggling and the Drugs Business of the Committee for National Security of Kyrgyzstan.

[Question] Oleg Valeriyevich, when was the structure you work in set up?

[Yakovlev] The department began its activities in January last year. It includes several departments, for example, ones keeping an eye on the finance and banking system and the activities of ministries and departments. The department that I head works on incidents of corruption in the law-enforcement bodies and professional crime, that is gangsterism and the drugs business.

[Question] Do National Security Committee officials resort to the services of so-called informers?

[Yakovlev] We have helpers who render us invaluable assistance by informing the department of some facts.

[Question] Are there many such people, and is their work paid?

[Yakovlev] Quite enough. Most of them work without payment. We make decisions on giving money rewards in individual cases. As for drugs, we receive information on this, in general, from the public.

[Question] Incidentally, now about the drugs business. A MOSCOW NEWS correspondent for the Central Asian region, K. Bayalinov, said in one of his latest articles that the drugs business is being supervised by the powers that be, very high- ranking officials in law-enforcement bodies.

[Yakovlev] Of course. Moreover, not only officials in the law-enforcement bodies, but from the very top echelons of power. Because the large mass of free money that some persons have should be brought into circulation and made to work. And the most profitable and speedy business is drugs.

[Question] Can you tell me what specifically is behind this business?

[Yakovlev] We have uncovered specific officials in the law-enforcement bodies.

[Question] But one official differs from another. Are there any generals?

[Yakovlev] I cannot answer that question.

[Question] Okay. But you do not refute and reject it?

[Yakovlev] No, I do not.

[Question] Is it possible to speak of the precise quantities of poisons being shipped via Kyrgyzstan?

[Yakovlev] Well, nobody will tell you that. Over the last two months alone we confiscated around 200 kilograms of opium throughout the republic and around 10 kilograms of opium in Bishkek. If three years ago 10 grams of opium was a considerable deal, then imagine what scale the drug trade has reached today.

[Question] What amount of money does it involve?

[Yakovlev] Count it yourself. One kilogram of opium in the capital costs approximately three thousand dollars.

[Question] And the public is just as worried by corruption as by the drug problem, and speaks about it a lot. Is it reality?

[Yakovlev] Unfortunately, it is. Corruption has embraced all layers of society from top to bottom.

[Question] Let us speak about the top. According to your information, can the percentage of those officials involved in corruption be announced?

[Yakovlev] That is impossible.

[Question] Why? Because of your lack of information or because a large number are corrupted?

[Yakovlev] I will answer this way. Actually, we have limited information but, judging by it, there are quite enough officials who have been involved in bribes, graft, and mercenariness.

[Question] That is, do you confirm that the top level of power is corrupted?

[Yakovlev] I can confirm only the fact that the processes taking place on top are without fail being projected down.

[Question] And in your opinion, can the state exist and develop without such immoral phenomenon as corruption?

[Yakovlev] It goes without saying. History serves as proof of this.

[Question] Do you mean that in order for everybody to be honest and pure in the state it is necessary...

[Yakovlev] That there should be strong power and discipline, above all.

[Question] Does Kyrgyzstan need a Pinochet?

[Yakovlev] I have not said that, but when the threat of the collapse of the state is a reality, strength is necessary.

[Question] Do you think Kyrgyzstan is on the verge of collapse?

[Yakovlev] Not quite, although such a tendency exists. Let us look at the situation in the republic realistically. What is the population doing?

[Question] Selling and buying, in general.

[Yakovlev] That is right. Nobody works.

[Question] But there is no work.

[Yakovlev] But where are the jobs? Have our factories and works fallen to pieces? They are standing idle. Why?

[Question] There are no raw materials. Enterprises are unable to produce without them.

[Yakovlev] Who should be searching for raw materials? What level must the problem be solved on? Restoring the economic space and economic links is the government's number one task today. This is the solution to the problem of people's employment.

[Question] Okay, let us return to the work of your department. What has been done during its almost two years of existence?

[Yakovlev] Over 12 months last year we uncovered 11 officials of law-enforcement bodies who were charged with corruption and over nine months this year—there are already 18.

[Question] The lawlessness that embraces the law-enforcement system suggests that there are far more people who have sullied their militia uniforms.

[Yakovlev] Napoleon said: The people that does not want to feed its army will feed a foreign one. It is impossible to seek protection from the militia that receives tiny salaries and besides which has not been paid for six months. They are also people with families, children, and parents who need assistance and support. Can one rely upon a hungry and irritated militiaman to meet gangsters' bullets and knuckle-dusters? Alas, the complicated hard economic situation that has developed often provokes instances when in the end the guardian of law violates it, hoping for the better and to get away from poverty, hopelessness, and tiredness.

[Question] How high do your "clients" charge for their services? How much do they take?

[Yakovlev] It varies: five thousand dollars, sometimes less, sometimes much more.

[Question] One can judge by the fact of how long, about two years, the law on law-enforcement bodies waited for its fate that the criminal code of the republic will not be revised soon.

[Yakovlev] Although we have submitted our drafts and proposals...

[Question] Tell me has anybody tried to make you see reason and block you when you faced any influential person in the process of your department's activities?

[Yakovlev] No, not yet.

[Question] Never?

[Yakovlev] We are security officers and we are obliged to inform our commanders about the work performed. But sometimes, I will tell you in confidence, we hold it back until the completion of the draft.

[Question] Are you not afraid of announcing that in a republican newspaper?

[Yakovlev] No.

[Question] Even when you are disclosing open lawlessness, aren't you afraid?

[Yakovlev] I am not afraid of it. Besides, about lawlessness. A deputy head was detained, I will not tell you from what regional department of internal affairs. He confiscated a private car and demanded one thousand dollars for its return.

[Question] What are the main motives of the bribes and extortions?

[Yakovlev] Covering up a crime and changing the classification of a crime. The situation that has developed in the management system of the labor institutions, plainly speaking, in the zone is disturbing. The number of cases has increased when alcohol, drugs, and money are being brought onto the territory of the camps and prisons. And it is the officials who do it.

[Question] One automatically draws the conclusion that there are complete violations of the law in the Ministry of Internal Affairs and its substructures.

[Yakovlev] Of course, there are not. But if decisive measures for cleansing the militia's ranks are not taken then a not too bright tomorrow awaits us.

[Question] I am afraid that one department of the National Security Committee's law-enforcement bodies will not cope with fighting corruption, moreover, it only has a third of the staff it needs.

[Yakovlev] Specific and bold actions by the president, the guarantor of the Constitution, are necessary. Nationwide actions to fight this evil should be taken. Otherwise, Kyrgyzstan will become a Cosa Nostra in a sea of blood and on a background of poverty.

As the security officer, who has 10 years of service said, corruption is a consequence and one needs to look for its reasons. I think that the reasons are well-known to the echelons of supreme power and the men counting out their last soms before receiving their wages.

Corruption will gather speed and gain in scale if it is not restrained. In the meantime, lobbying is for the good of those who have a lot in their safes and openly make the authorities dependent, only because the latter have great problems with their consciences, honesty, and decency and a greedy desire to grasp the immense into individual egoism, while the almost sacred idea of serving their own people have atrophied. Are we really waiting for a Kyrgyz Pinochet?

Tajikistan

Tajik-Uzbek Economic Association Plans Expansion

LD0612133694 Dushanbe Radio Dushanbe Network in Russian 1000 GMT 6 Dec 94

[FBIS Translated Text] As the KHOVAR news agency has already reported, the Council of Ministers of the Republic of Tajikistan adopted a resolution on creating Soyuz [Union], a trans-national production economic association. Its purpose is to restore disrupted economic ties and develop the country's construction industry and agro-industrial complex. According to (Saifutdin Turayev), president of (Istravshan), an international scientific production commercial corporation, this corporation is one of the founders of Soyuz.

The first constituent meeting of the corporation with the participation of the representatives of five countries—Tajikistan, Uzbekistan, Russia, Kazakhstan, and Kyrgyzstan—was held in Ura-Tyube two months ago. At the initiative of the Tajik side, the proposal on creating the Soyuz association was put forward. The charter of this organization was approved at the meeting. An agreement has been signed by the Tajik and Uzbek sides. Soyuz has 20 founders, 10 from each side. It is a large industrial enterprise: building materials combines, state farms, and joint-stock companies. The profits will be split 50-50 between the two sides. The association has the most various forms and areas of activity, namely the production of building materials, metal work, consumer goods, the sale of products and services, civil engineering and installation works, the creation of a bank network, and many others. There are plans to create their own bank, (Altair); and an air company, (Simurgh). The creation of a single chain is planned in the agro-industrial complex. The collective and state farms in the association will grow cotton and vegetables. Later on products will be processed at cotton-processing, canning, spinning, and weaving factories and sold in shops belonging to the same association throughout the CIS. Russia, Kazakhstan, and Kyrgyzstan will join the founder members of the Soyuz association in the future.

Presidential Edict Broadens Economic Reforms

LD0612204094 Dushanbe Radio Tajikistan Network in Russian 1000 GMT 5 Dec 94

[FBIS Translated Text] Edict issued by President Emomali Rakhmanov of the Republic of Tajikistan on urgent measures to deepen the economic transformations and accelerate the transition to the market relationships:

Making a realistic assessment of the economic and social situation and the irreversible process of transition to a market economy in the republic, and with the aim of getting out of the prolonged crises, I decree:

An Inter-Departmental Council on Economic Reform, Enterprise and Foreign Investments is to be set up under the president of the Republic of Tajikistan. The council is to be invested with the powers it needs to guarantee an acceleration of the transition to the market economy, and protect private property and foreign investments.

The government of the republic has two weeks in which to define the structure, composition, and status of the council, and the size of its executive staff.

The Government of the Republic of Tajikistan has one month in which to submit a program of economic reforms for consideration by the Inter-Departmental Council on Economic Reforms, Enterprise and Foreign Investments of the Republic of Tajikistan. The Academy of Sciences of the republic, the Strategic Research Center of the Republic of Tajikistan and other concerned organizations are to submit alternative programs, which will take specific account of the integral nature, priorities, and consistency of the reforms that are to be carried out.

The Ministry of Economy and Ministry of Foreign Economic Relations of the Republic of Tajikistan, the Ministry of Agriculture of the Republic of Tajikistan, the State Property Committee of the Republic of Tajikistan, the Academy of Sciences of the Republic of Tajikistan, the Strategic Research Center of the Republic of Tajikistan, the Academy of Agricultural Sciences of the Republic of Tajikistan, and the Tajik Agricultural University have one month in which to submit a program of economic reforms in the agrarian sector, paying particular attention to land reform and the procedures for implementing it.

The National Bank of the Republic of Tajikistan, the Ministry of Finance of the Republic of Tajikistan, and the State Property Committee of the Republic of Tajikistan have two weeks in which to draft and present the Government of the Republic of Tajikistan with the regulatory, procedural, and other acts and provisions needed to set up a republican stock exchange, a republican commodity and raw material exchange, a central inter-bank currency exchange, and a real estate exchange.

Wholesale fairs are to be organized and put into operation, involving the commodity and raw material exchanges, to sell goods and products held by enterprises and economic units, except for products on which the state has a monopoly. The State Property Committee, in conjunction with ministries, departments, and the regional, town, and district executive committees are to ensure the unconditional fulfillment of the state program of privatization for 1994-1995.

The sales of trade and service sites is to be permitted through tender and auction; they will pass into the private ownership of physical and legal persons, including foreigners. When these sites are being privatized a contract is to be drawn up with the managing bodies of the State Property Committee stating that the sites are to be used for their actual intended purpose.

The executive committees of Gorno-Badakhshan Autonomous Region, of the regions, towns, and districts are to make provision for siting trade and service enterprises that are constructed or set up on the basis of private ownership in the more prestigious business areas of towns and settlements. In order to achieve this, anyone possessing the relevant funds and potential is to be furnished with the necessary conditions, including credits and state guarantees, in line with the legislation.

All state organizations and officials are to ensure unwavering implementation of this point in the edict. They must bear in mind that any encroachment on the right to private ownership will inevitably be dealt with strictly by the law. The Ministry of Justice of the Republic of Tajikistan is to define specific measures to ensuring legal protection for nonstate ownership, and civil and criminal sanctions for violations of citizens' rights to private ownership. It is to submit proposals in the prescribed manner to make additions and amendments to the criminal code of the republic as well as other legislative acts of the Republic of Tajikistan.

With the aim of developing a foreign exchange market in the Republic of Tajikistan and increasing the effective use of those cash resources currently in circulation, the National Bank, in conjunction with the Foreign Economic Bank and the Ministry of Finance of the Republic of Tajikistan, are to create the conditions on the ground, which are needed for physical persons to open foreign currency accounts at interest rates corresponding to the norms accepted in [word indistinct] banking practice, and to open currency exchange offices in the towns and districts.

The National Bank of the Republic of Tajikistan has two weeks to draft proposals on creating further incentives for the network of joint-stock and commercial banks, including private ones, to develop in the republic.

Private enterprise by citizens engaged in importing goods and filling the domestic market is to be encouraged in every way possible. The creation of small wholesale [word indistinct], including family-based ones, is to be encouraged in every way. With this aim the Tajikmezhekonombank [Tajik inter-economic bank] and joint-stock commercial banks are recommended to grant credits to citizens of the Republic of Tajikistan if they present pledges or guarantees in line with the current legislation.

Restrictions are to be lifted on importing and exporting cash foreign currency and CIS monetary units by citizens of the Republic of Tajikistan and foreign citizens, except in cases that run counter to the legislation of the Republic of Tajikistan.

Registration of non-state enterprises that are set up will take place at notaries' offices.

The Ministry of Justice of the Republic of Tajikistan has one month in which to submit a proposal on amendments to the legislation covering registration of enterprises.

The main state tax department of the Republic of Tajikistan, in conjunction with the Ministry of Finance of the Republic of Tajikistan, has one month in which to draft a proposal on amendments to the current taxation legislation with the aim of encouraging investments, including foreign investments, and establishing tax benefits for small enterprises that are formed and operating in villages, settlements, peasant holdings, private farms, and similar production units that produce, process, and transport agricultural products and produce consumer goods.

A state insurance company, Tajikinvest, is to be set up under the Ministry of Finance to insure domestic and foreign investments. That part of the assets of the republican Tajikgosstrakh [Tajik insurance company] that is located on Tajik territory is to be given to Tajikinvest. The Ministry of Finance of the Republic of Tajikistan has one month in which to resolve the issue of the sources from which the initial start up capital will be created, to develop and approve regulations on the company, and to stipulate procedures granting foreign investments most favored status.

Any interference by regional, town, and district executive committees and higher bodies of government, except for the tax inspectorates, in the financial and economic operations of enterprises, institutions, and organizations, irrespective of their ownership, is to be regarded as inadmissible.

Ministries, government departments, and regional, town, and district executive committees are to be categorically forbidden to create various extra budgetary funds on the territory of the districts and towns out of funds taken from enterprises, institutions, and organizations on a compulsory basis.

The Government of the Republic of Tajikistan is to approve the list of goods that are exported under license according to the volumes set by the fixed quotas, temporary customs duty rates for the export of goods, a list of the goods that it is forbidden to export. These restrictions do not apply to any other goods.

The Ministry of Economy, Ministry of Foreign Economic Relations, and Ministry of Finance of the Republic of Tajikistan have one month in which to draft and submit for government approval an adjusted set or regulations on the procedures for setting free prices for consumer goods, taking into account the need to bring retail surcharges into line with actual turnover expenses.

The Government of the Republic of Tajikistan has one month in which to approve corresponding resolutions on executing this present edict.

Emomali Rakhmanov, president of the Republic of Tajikistan.

Situation on Afghan Border Improves Slightly

LD0612194594 Moscow ITAR-TASS in English 1725 GMT 6 Dec 94

[By ITAR-TASS special correspondents Galina Gridneva and Aleksandr Kharchenko]

[FBIS Transcribed Text] Dushanbe December 6 TASS—Colonel-General Valeriy Patrikeyev, commander of joint peace-making forces in Tajikistan, has described first steps aimed at disarming illegal militant units in the Gorno-Badakhshan region as "encouraging".

Common sense begins to prevail, and inhabitants of several districts begin to surrender arms, Patrikeyev told Russian journalists on Tuesday [6 December].

This is just the beginning. Leaders of armed groupings, which are known as self-defence forces, become increasingly aware that the arms must belong only to those who are entitled to bear arms, he added.

On the other hand, he described general situation in the Gorno-Badakhshan autonomous region as rather complicated. There are several scores of pro-opposition groupings in the region and they still possess about 2,000 firearms, he said.

Touching upon the situation at the Tajik-Afghan frontier, Patrikeyev remarked that it has taken a slight turn for the better compared with August-September. In this connection, he praised the inter-Tajik cease-fire agreement, which was reached in Islamabad, tightening of control over its implementation on the part of international bodies, first and foremost, the United Nations, which sent a group of military experts to Tajikistan.

However, Patrikeyev did not exclude possibility that such an objective factor as the beginning of winter also played a part. Any kind of warfare is impossible in winter under the high-mountain conditions.

"I do not rule out the possibility that by the spring, when the mountain pass will be open, the irreconcilable opposition will try to expand its field of operations aimed at crossing the frontier. Ongoing concentration of opposition forces at the north-Afghan borderline districts testifies to it," he said.

Patrikeyev hailed continuation of the inter-Tajik dialogue.

The fourth round of inter-Tajik talks is scheduled for the end of December or beginning of January in Moscow, well-informed sources told ITAR-TASS.

Over 30,000 Refugees Return From Afghanistan

LD0612192494 Moscow INTERFAX in English 1556 GMT 6 Dec 94

[FBIS Transcribed Text] A total of 38,304 Tajik refugees returned home from Afghanistan by December 5, the head of the Tajik Foreign Ministry Information Department, Zafar Saidov, told Interfax Tuesday [6 December].

Citing U.N. information, Saidov pointed out that as many as 21,729 Tajik refugees still remained in Afghanistan. At the same time, Tajik government experts believe that in Afghanistan there were "about 17,000 Tajik refugees willing to return home." There were no details as to the number of refugees willing to stay.

According to the Tajik opposition, about 80,000 refugees from Tajikistan remained in Afghanistan.

The bulk of refugees had to flee from Tajikistan in December 1992 as a result of a civil war in the republic.

Russian, Local Forces Discover 'Opposition' Arms Cache

LD0612133494 Dushanbe Radio Tajikistan Network in Tajik 0800 GMT 6 Dec 94

[FBIS Translated Text] Russian Border Guards and local law-enforcement forces have discovered a secret arms cache in Darvazskiy rayon. Yesterday, KHOVAR news agency correspondent was told by military sources that the ammunition depot belongs to fighters of the Islamic Rebirth Movement. Two-hundred-and-fifty mines were rendered harmless, while 150 antitank mortar shells and a quantity of submachine-guns and ammunition were found in the cache. The border guards also found many photographs of opposition fighters.

Islamic Opposition Said Planning Border Post Attack

LD0612213394 Moscow INTERFAX in English 1849 GMT 6 Dec 94

[FBIS Transcribed Text] The command of the Movement for Islamic Rebirth of Tajikistan is now working out a plan for eliminating the border post of the Kalaikhumb Border Guards Regiment (the Gorno-Badakhshan autonomous region in east Tajikistan), the Russian Federal Border Guards Service told Interfax today.

The Islamic opposition plans to launch the attack for "taking revenge" for the death of the Tajik opposition's field commander Gayur killed during fighting with Russian border guards trying to stop a breakthrough of an armed group from Afghanistan to Tajikistan last week, the same source said.

The Federal Border Guards Service and the Group of Russian Border Guards Troops in Tajikistan are now strengthening the defense of the Tajik-Afghan border and taking measures to protect border guards. "Any of the so-called actions of revenge will only lead to another bloodshed and further escalation of tension on the border," Russian border guards said.

Weapons Confiscated in Gorno-Badakhshan

LD0712093794 Dushanbe Radio Tajikistan Network in 0500 GMT 7 Dec 94

[FBIS Translated Text] An important phase, the confiscation of the weapons of illegal groups, has started in Gorno-Badakhshan Autonomous Region. Colonel General Valeriy Patrikeyev, head of the collective peacekeeping forces in Tajikistan, said this is a step forward along the way of bringing the situation back to normal.

According to some sources, the leaders of the illegal groups in Khorog have stressed that only those who have official permission can keep weapons.

The disarmament campaign is being properly implemented on the territory of the region. It is necessary to note that the employees of the interior and security ministries are developing practical measures in carrying out President Emomali Rakhmanov's decree on disarmament. The practical deeds are intended to disarm people who have illegal weapons everywhere. Competent commissions have been set up under the appropriate authorities. The results of the work carried out are reported to the competent commissions.

It is considered that if the competent authorities implement the present decree unwaveringly it will be possible to confiscate people's illegal weapons. This lays a reliable foundation for calm and tranquility.

Turkmenistan

'Peace Cargo' From Pakistan Arrives in Ashgabat

LD0712061994 Ashgabat TURKMENISTAN in Russian 28 Nov 94 p 1

[Unattributed report: "The Peace Road Has Opened Up—The Peace Initiative of the Heads of Two Countries"]

[FBIS Translated Excerpt] At the beginning of November the world media reported that a motor caravan bound for Central Asia from Pakistan was stopped and looted in southern Afghanistan. There is only one thing that is true in this information—that the motor caravan crossed the Turkmen-Afghan border and as a result, the peace cargo arrived in Ashgabat. Wishing to learn the history of the first caravan, which opened up the route through western Afghanistan, a Turkmen Press correspondent spoke to Tarik Usman, ambassador extraordinary and plenipotentiary of the Islamic Republic of Pakistan to Turkmenistan, who met the motor caravan on the border.

"As you know, Turkmen President Saparmurad Niyazov and Pakistani Prime Minister Benazir Bhutto came to an agreement on the need to open a transport route through Afghanistan during Niyazov's visit to Islamabad in August. This peace initiative also included establishing stability in the country, which has been shuddering at the fighting between opposing irreconcilable groups." So this initiative, firstly aimed at the people of Afghanistan, was a stimulus to implementing an agreement signed in August in Islamabad by the governments of neighboring countries on the opening of the western motorway.

To prove that the motorway through Afghanistan is a reality, an authoritative delegation was set up in September. Minister of Internal Affairs [as published] Nasirullah Khan Babar, headed the delegation. He met the heads of groups and secured their support for the idea of resuming the peace freight traffic. Apart from this, they took upon themselves the commitment to ensure the safety of the freight.

The issue of opening the pass was taken up again by the heads of Turkmenistan and Pakistan during Pakistani Prime Minister Benazir Bhutto's visit to Turkmenistan for festivities celebrating the third anniversary of our country's independence. Both heads once again approved the need for the motorway through western Afghanistan at that time. On 31 October the first caravan of thirty trucks crossed the Pakistan-Afghanistan border at Spin Buldak with humanitarian freight for Afghanistan and gifts for the Turkmen and Uzbek peoples from Benazir Bhutto and the Pakistani people. No guards escorted the caravan. The caravan traveled 120 kilometers. Then, when it was approaching Kandahar, it was stopped by two groups of people. They had no intention of blocking the caravan's passage. However, they said that they could not let it pass the area at that moment because there were opposition groups in the area. Islamabad, hoping that there would not be military actions in the way of the caravan with its peace freight, ordered it to wait for some time. And indeed the route for the caravan was opened on 4 November and the same day it reached Kandahar. The people and trucks were not damaged and the freight was also not touched. Islamabad television reported from the meeting place. The humanitarian freight—medicine and food—was received by representatives of 12 regions on the caravan's route.

On 9 November the motor caravan left Kandahar and early the next morning it was met in Herat Region. On 12 November, 16 of the trucks intended for Turkmenistan and Uzbekistan passed Turgun-Kushka on the Afghan-Turkmen border. An opening ceremony of the peace motorway through western Afghanistan took place at Kushka. [passage omitted]

Customs Attempts To Curb Narcotics Smuggling

OW0712005594 Moscow Ostankino Television First Channel and Orbita Networks in Russian 1935 GMT 15 Nov 94

[E. Zapolskaya video report from Ashgabat; from the "Utro" program]

[FBIS Translated Text] Since the beginning of this year the number of attempts to smuggle narcotics over the Turkmenistan border has increased. In just nine months customs agents confiscated more than 21 kilograms of various narcotic substances. Investigations showed that part of the contraband cargo was transiting through Turkmenistan.

If we discount those crossing the country by rail and road, the customs service of Ashgabat international airport meets and sees off 2,500 airline passengers daily. Besides narcotics, the customs agents also seized large quantities of pharmaceuticals, weapons, and items of historic value being smuggled out of the country. This is has been achieved even though basically, the customs officers do not have much professional experience. After all, the service was established about three years ago, beginning literally with nothing.

[Begin recording] [Mukhamedkuliyev] The question of professional training has now been elevated to an international level. We have had representatives of the Irish Customs organization here. They conducted two-week training and retraining courses. Representatives and instructors of U.S. Customs also visited and held two-week courses in Turkmen-Bashi. All this has yielded results.

[Zapolskaya] How do things stand regarding equipment?

[Mukhamedkuliyev] We have an agreement with the Russian Federation. Since we are a CIS state we are receiving technical equipment in the framework of this commonwealth from other states, and primarily from the Russian Federation, Ukraine, and Belarus. Despite this we are also getting certain technical items from international organizations. [end recording]

To revitalize the activities of the customs services in the struggle against narcotics, Turkmenistan has signed a cooperation agreement with all CIS countries. This promotes the coordination of actions, exchange of information, and ultimately the apprehension of narcotics business dealers.

Armenia

Ter-Petrosyan: Karabakh Sovereignty Key to Peace

NC0712114594 Yerevan ARAGIL ELECTRONIC NEWS BULLETIN in English 0859 GMT 7 Dec 94

[FBIS Transcribed Text] Yerevan ("LRAGIR" daily-HAYLOUR), 12/07/94—A short meeting between Armenian and Azeri Presidents was held in Budapest on December 6.

Armenian President said to a representative of Azeri TV before the meeting that the conflict cannot be resolved, until Mountainous Karabakh is recognized as a sovereign country. Ter-Petrosyan said that both Armenia and Karabakh came to the same conclusion that peace cannot be established in the conflict zone without stationing of disengagement forces. "This was our greatest achievement", Armenian President said.

Questioned by "TURAN" agency about the difference in positions of Armenia and CSCE (according to the question, CSCE speaks for stationing of disengagement forces after signing a comprehensive political agreement), Ter-Petrosyan said "I pay no attention to documents and agreements, I am most interested in the process. I see two stages in the process: first, establishing stable peace and stationing of disengagement forces, and then the second stage of political regulation".

On the next question whether it is important for Armenia that disengagement forces be international, Ter-Petrosyan answered "It is not important for us that disengagement forces be international. It is important to establish peace in the region, as soon as possible".

Gas Supply Agreement Signed With Georgia, Turkmenistan

NC0612170394 Yerevan NOYAN TAPAN in English 1535 GMT 6 Dec 94

[FBIS Transcribed Text] 06/12/94 (NOYAN TAPAN)—The Armenian Government's press service reports that on December 1-2 both bilateral negotiations (Armenia-Turkmenistan; Georgia-Turkmenistan) and trilateral negotiations (Armenia-Georgia-Turkmenistan) concerning the problem with supply of natural gas from Turkmenistan were held in Ashgabat. The sides resolved the issue of resumption of gas supply from Turkmenistan. The main obstacle, which caused suspension of gas supply was the change in tariffs for transportation of natural gas and Georgia's debt, which amounted to millions of dollars.

Presidents Levon Ter-Petrosyan, Saparmurad Niyazov and the Georgian Leader Edward Shevardnadze signed a joint statement, which proclaims the principles of mutually profitable trade and economic cooperation of the three countries. Armenia and Turkmenistan signed an agreement on mutual payments for gas supply and for supply of goods in 1994 as well as agreement on providing Armenia with Turkmen gas in 1995.

The Georgian Leader Edward Shevardnadze publicly guaranteed that Armenia will receive its share of natural gas independently of the situation in Georgia.

On December 3 the supply of Turkmen gas to Armenia was resumed. As of December 5 evening 1.5 cubic meters [as received] of gas were coming to Armenia daily.

Azerbaijan

Denial of Azerbaijani Servicemen in Chechen Conflict

LD0612201394 Moscow INTERFAX in English 1849 GMT 6 Dec 94

[FBIS Transcribed Text] The Azerbaijani Defense Ministry refuted information on participation of servicemen of the Azerbaijani National Army in the conflict in Chechnya appeared in the Russian media.

The Defense Ministry said that Azerbaijan remained a supporter of peace settlement of any conflicts and that it had never interfered into domestic affairs of other countries.

Foreign Minister Gasanov Views Peacekeeping Forces

NC0512143094 Baku Azerbaycan Radio Televiziyasi Television Network in Azeri 1600 GMT 3 Dec

[Interview with Foreign Minister Gasan Gasanov by Baku Radio correspondent Halilova in Baku on 3 December—recorded]

[FBIS Translated Text] [Halilova] Mr. Hasanov, can you comment on your program for the CSCE meeting?

[Gasanov] President Aliyev will explain Azerbaijan's position. He will focus on a solution for the Karabakh problem and the participation of the CSCE peacekeeping forces in the effort that will be made to resolve that dispute. I am convinced that President Aliyev's speech will reconfirm that Azerbaijan is developing based on a democratic and open state policy. Azerbaijan is open to all countries and wishes to establish relations with them.

[Halilova] Can you outline Azerbaijan's position on the structure and establishment of the peacekeeping forces?

[Gasanov] Azerbaijan believes that no single country should be solely responsible for solving the problem. An international peacekeeping force should be established, and no donor country should contribute more than 30 percent of the force.

[Halilova] Is that seen as an objective approach?

[Gasanov] Yes, that is right. That is seen as an objective approach.

[Halilova] Several UN peacekeeping troops have been killed or taken hostage in Bosnia and Herzegovina. Can you comment on the need to strengthen the position of the UN peacekeeping forces?

[Gasanov] Acts such as these have been committed by the Serbian forces. Similar incidents may or may not take place in Azerbaijan. I believe that incidents may take place. We must not deceive each other. Our people must realize that our country has to defend itself [words indistinct].

Agreement on Composition of Karabakh Peacekeeping Force

NC0612171794 Baku TURAN in English 1148 GMT 6 Dec 94

[FBIS Transcribed Text] Budapest, December 6 (TURAN)—The principal agreement on percentage staff of the CSCE peace-keeping forces was adopted yesterday by the heads of the CSCE-member states, TURAN's correspondent referring to diplomatic sources reports.

A high-ranking western diplomat told TURAN that Russia agreed with 30 per cent share of its forces in the CSCE peace-keeping forces. The appropriate resolution is expected to be adopted by the heads of the CSCE-member states today.

As was earlier reported, Russia was against other countries' participation in the peace-keeping operations on the territory of the CIS and came out for recognition "of Russia's special rights in settlements of armed conflicts on the territory of the former USSR" by world community.

Armenian President's Accusation During CSCE Address

NC0612173094 Baku TURAN in English 1248 GMT 6 Dec 94

[FBIS Transcribed Text] Budapest, December 6 (TURAN)—Armenia's President Ter-Petrosyan addressing the plenary session of the heads of the CSCE-member states December 5 said that "creation of the international peace-keeping forces is clear and the Armenian-Azerbaijani conflict enters a new phase". However he added that though the CSCE works to improve its structures, the organization is yet to work out the mechanism, which will guarantee implementation of political resolutions.

President Ter-Petrosyan paid attention to fragility of the truce established on the front. "Uncertainty of the CSCE makes this peace even more fragile", President Ter-Petrosyan says. He suggested two-stage settlement process, which provides for deployment of separation forces on the first stage and on the second stage, Nagorno-Karabakh, as a full and equal party to the conflict, will take part in political settlement.

Then Armenia's President made an amazing statement, accusing Azerbaijan's special services of involvement in the act of terrorism on Georgia's territory—explosion of the bridge on Khrami River connecting Armenia and Georgia on December 3. Armenia's President called on the participants of the session to "condemn the activities of Azerbaijan".

After the session President Aliyev expressed regret for Armenia's President statement and refuted Baku's involvement in the bridge's explosion. "That event took place on the territory of Georgia and it is in the competence of the Georgian authorities. We cannot bear responsibility for the events, which take place on the territory of other state", President Aliyev said.

Baku Denies Accusation

LD0612213294 Moscow INTERFAX in English 1849 GMT 6 Dec 94

[FBIS Transcribed Text] The Azerbaijani National Security Ministry has completely denied the accusation of participation of Azerbaijani special services in the explosion of a bridge across the Khram River in Armenia put forward by Armenian President Levon Ter-Petrosyan.

The Azerbaijani National Security Ministry circulated a statement today saying that it considered the action as a provocation launched before the CSCE summit in Budapest.

On December 3 a railway bridge connecting Armenia and Georgia was blown up.

The Azerbaijani National Security Ministry said it believed that the provocation had been organized by "circles not interested in political settlement of the Armenian-Azerbaijani conflict."

IMF Withholds Promised Loan; Conditions Not Met

MM0712113794 Moscow KOMSOMOLSKAYA PRAVDA in Russian 6 Dec 94 p 1

[Report by Svetlana Turyalay: "Loan Passes Azerbaijan By"—from the DELOVOY VTORNIK section]

[FBIS Translated Text] Baku—The IMF has decided not to grant Azerbaijan as yet the promised loan of $180 million, a quarter of which was to have been received by the republic in December. This loan would have benefited Azerbaijan in every way—it was issued for a relatively long term (25 years) and at very low interest rates (less than 1 percent as opposed to 7-8 percent in world practice). The decision to issue the loan was made in early October at an IMF and World Bank conference. An IMF mission visited Baku in November to establish Azerbaijan's readiness for the loan. It turned out that the republic was not ready for it.

Even before the mission visited Baku the IMF had set Azerbaijan a number of conditions—abolishing the compulsory sale of foreign-exchange reserves, lowering inflation, submitting the draft state budget for 1995 to parliament for ratification, and some other conditions. None of these conditions has been met.

In the opinion of D. Nuriyev, chairman of the parliamentary Budget Commission, the current Cabinet of Ministers should resign. The budget for 1995 has still not been submitted for examination by parliament, although the Finance Ministry sent the draft to the cabinet a long time ago. The 1994 budget deficit is growing apace—it was 91.4 billion manats in July, is currently 180 billion manats, and will have grown to 229 billion manats by the year's end. This is not just inflation but hyperinflation.

Georgia

Azerbaijan Demands Nonstop Supply of Humanitarian Aid

LD0612213194 Moscow ITAR-TASS in English 1636 GMT 6 Dec 94

[By ITAR-TASS correspondent Albert Kochetkov]

[FBIS Transcribed Text] Tbilisi December 6 TASS—Azerbaijan may revise interstate relations with Georgia if the latter does not ensure non-stop transit of humanitarian cargo, Azeri Vice-Premier Abbas Abbasov told Georgian Prime Minister Otar Patsatsya here today. Abbasov is currently in Tbilisi on a working visit.

Azerbaijan is daily supplying 100 megawatts of electricity in order to receive grain and flour from the Black Sea ports of Poti and Batumi. Ships are staying in ports and waiting for unloading. The Azeri energy supplies five time exceed the needs of the Georgian railroad, said Abbasov.

The Georgian-Armenian relations are complicated with unsafe railroad traffic in the border area. A bridge was blasted on December 3 in the Shulaveri-Tsereteli railroad section in the Georgian Marneuli region. The supply of humanitarian cargo was stopped for an indefinite time. Armenia has repeatedly offered Georgia to protect the railroad section from Tbilisi to Armenian territory, but Georgia did not accept the proposal. Now this may affect bilateral relations, according to a statement of Armenian leader Levon Ter-Petrosyan.

Shevardnadze Hopes for Arrival of Ukrainian Observers

LD0612191194 Moscow INTERFAX in English 1536 GMT 6 Dec 94

[From the "Presidential Bulletin" feature: compiled by Nikolay Zherebtsov, Andrey Petrovskiy, edited by Vladimir Shishlin]

[FBIS Transcribed Text] Georgia hopes for the implementation of understandings with Ukraine concerning the sending of Ukrainian observers to the zone of the Georgian-Abkhazian conflict, Georgian leader Eduard Shevardnadze said on Monday [5 December] night following a meeting with Ukrainian President Leonid Kuchma in Budapest.

He believes that troops with the CSCE mandate could be deployed in the zone of the Georgian-Abkhazian conflict. "We are interested in this, however, few countries agree to send their troops there," said Shevardnadze.

During the meeting an understanding was reached about Kuchma's official visit to Tbilisi later this year-early next year.

Shevardnadze said that "the CSCE should be a guarantor of economic and military security" for European states.

Abkaz President Sworn In; Opposes Force in Chechnya

LD0612171594 Moscow INTERFAX in English 1416 GMT 6 Dec 94

[FBIS Transcribed Text] The inauguration of Abkhazia's first president took place in Sukhumi on Tuesday [6 December]. Vladislav Ardzinba pledged to be faithful to the "multinational people of Abkhazia and to the republic's Constitution."

He became president in accordance with a decision taken by the Abkhaz parliament, which adopted a new Constitution on November 26. The Constitution proclaims Abkhazia an independent state. Before that Ardzinba was the head of parliament.

At the news conference held after the inauguration ceremony Ardzinba said in answer to Interfax's question about developments in Chechnya: "The use of force must not be allowed, the more so as Russia has a vast experience of resolving complicated problems by peaceful means."

In the meantime the world community, particularly Russia, the UN and the CSCE, refused to recognize Sukhumi's demarche aimed at acquiring independence, and proclaimed support for the territorial integrity of Georgia Abkhazia is a part of. This stand was emphasized once again at Tuesday's briefing given by a spokesman for Russia's Foreign Ministry in Moscow. "The world community cannot help feeling concern over the prospect for disrupting the fragile progress reached in the peace process, fraught with the possibility that the conflicting sides will return to the starting point of their confrontation," he pointed out.

Abkhazia's Ardzinba on Independence Move

MM0712091194 Moscow TRUD in Russian 6 Dec 94 p 4

[Interview with President Vladislav Ardzinba by Igor Chernov in Sukhumi; date not given; under the rubric "In the Near Abroad": "Vladislav Ardzinba: We Do Not Want War"]

[FBIS Translated Text] As expected, Abkhazia's proclamation of independence did not provoke a negative reaction in Georgia alone. The adoption 26 November by the parliament of this former Georgian autonomy of a new constitution according to which the republic is declared a sovereign state with a presidential form of rule was followed by fairly sharply worded statements from the Russian leadership and the UN Security Council. The deputies of the Abkhaz parliament could not have failed to foresee everything which followed this "abrupt" decision. What prompted this step? For answers to the questions raised TRUD's correspondent went to see Vladislav Ardzinba, first president of the Republic of Abkhazia.

[Ardzinba] We have done nothing extraordinary. Let us examine the matter. It is well known that Abkhazia was part of the Russian empire. Following the disintegration of that empire in March 1921 it became independent, and in February 1922 Abkhazia and Georgia set up a federative state, which became part of the USSR. At the same time Abkhazia retained the right to free secession from the federation. Later Stalin transformed Abkhazia into an autonomy, but, despite this, it remained a state with its own constitution and other attributes characteristic of a state. After the collapse of the USSR, Georgia, as you will remember, rescinded all legal acts adopted during Soviet times, and returned to its own Constitution of 1921, which contains not a word about relations with Abkhazia as a state. This circumstance compelled us to return to the Abkhazian Constitution of 1925—the constitution of a sovereign state...

[Chernov] As a result of which war broke out...

[Ardzinba] But following the expulsion of Georgian troops from Abkhazia's borders, talks began on ways of settling the conflict. The parties to these talks established in their statement of 4 April 1994 that state-legal relations between Abkhazia and Georgia were severed, and that now these countries were equal entities [ravnopravnyye subyekty]. This statement was signed in Moscow by representatives of the United Nations, the CSCE, Russia, Abkhazia, and Georgia. Moreover, in the presence of UN Secretary General Butrus-Ghali.

[Chernov] But what actually provoked Abkhazia's adoption of a new constitution?

[Ardzinba] The fact that the Constitution of 1925, under which we were living, had become obsolete. It was shameful to show it to anyone. It spoke of the dictatorship of the proletariat. And nothing about human rights, while we had set ourselves the task of creating a rule-of-law, democratic state, corresponding to the standards of modern civilization.

Obviously it was not Abkhazia's adoption of a new constitution that provoked the negative reaction, but its declaration of sovereignty. But I would like to draw attention to the fact that even in the old Abkhazian Constitution Article 1 says: "Abkhazia is a sovereign state." So there are no fundamental changes. We stressed that we have returned to 1921 in our relations with Georgia, and now everything must start again from scratch.

[Chernov] Some observers consider that Abkhazia rushed to adopt a new constitution, proclaim sovereignty, and elect a president in time for your meeting with the Georgian head of state, which was due to take place 2 December in Geneva with the mediation of Butrus-Ghali and Russian Foreign Minister Andrey Kozyrev. Is this true?

[Ardzinba] I knew that this meeting would not take place long before we decided to adopt the Constitution. At the request of the sides the meeting was postponed. I wish to remark that in the issue of the adoption of the Constitution we showed the maximum political restraint, and there was no haste, as people are now writing. The draft of this treaty was prepared as long as a year ago. Both Moscow and Tbilisi knew of this. Thus politicians in these countries are evidently not being quite honest when they say that the adoption of our Constitution came as a total surprise for them.

Yes, we have denoted our position, marked out the path that we will take, and created the foundations for further talks with Georgia, which we by no means reject.

[Chernov] But Eduard Shevardnadze has already stated that he does not intend to meet with "self-proclaimed President Ardzinba..."

[Ardzinba] Our opponents are irritated less by my presidency than by Abkhazian sovereignty. Only I do not understand how Eduard Amvrosiyevich was able to meet with us earlier, when even under the old Constitution Abkhazia was an independent country.

Strong statements of various kinds have been leveled at us repeatedly. There is nothing new about this. But I think that talks will nevertheless be continued. Life will make this necessary. And they must be conducted on the basis of the real situation. Abkhazia is and will be an independent state, and not some formation within Georgia. We must discuss treaty relations between the two states which can be concluded between ourselves, for example, an agreement on confederation. But, unfortunately, our position is not being taken into account, they do not hear us and do not want to hear us. But we will not back down.

[Chernov] Well, but what if the talks are not continued?

[Ardzinba] Then probably the Georgian side will begin preparation for a new war, as was promised at a session of the Georgian parliament. Besides, in my opinion, the war would already have resumed, had peacekeeping forces not been sent into the conflict zone.

[Chernov] Are you hoping that the peacekeeping forces' mandate, which expires literally within a few days, will be extended?

[Ardzinba] And do you believe that, because of the proclamation of Abkhazian independence, Russia's peacekeepers will leave their positions as a sort of punishment? I do not think that this will happen. As far as I know, The Council of CIS Heads of State extended the Abkhazia peacekeepers' mandate until 15 May 1995. True, the peacekeepers' powers have yet to be confirmed by Russia's Federation Council.

[Chernov] But nevertheless you will not deny that right now the situation around Abkhazia has drastically deteriorated. Tell me, are you preparing for war?

[Ardzinba] I do not want war. Nor does anyone else in Abkhazia. We have already had our fill of war, as the saying goes. But we are preparing to defend ourselves. And what else are we to do if Abkhazia is constantly threatened? Let those people who dream of taking revenge take account of the fact that they will no longer be able to hide behind words about the need to send in troops to defend the railroads and highways. They should understand that this is not August 1992. We have gone through a whole year of war. We have learned one or two things and picked up one or two things along the way. I think that we will be able to hold our own. But let me stress once again: War is not our choice. Both ourselves and Georgia have spilled much blood. Why repeat the tragedy? It is more rational to sit down at the negotiating table and, through compromises and mutual concessions—not diktat—find a civilized solution and sign a treaty to put a final end to Georgia's war with Abkhazia.

[Chernov] Could recent events stop the process of the return of refugees?

[Ardzinba] The process of the return of refugees to Abkhazia is closely connected with the problems of settling the conflict. Unfortunately, we see that the one has been separated from the other, and now the settlement has been reduced to the return of refugees. They say, let us return people and everything will take its proper course. But no, everything will not take its proper course. There will be more problems than ever. In the final analysis, an answer must be found to the principal question: Will Georgia deal with the "Abkhazian separatists" by coercive methods or not? If the answer is yes, what talk can there be of the return of refugees? As of today people are returning. In accordance with the procedure elaborated, around 300 people have already returned to Galskiy Rayon. But if the situation does not change—if the threats do not stop, if the infiltration of terrorists continues, if talks on a full-scale settlement of the conflict are not resumed—we will be forced to suspend the intake of refugees. Temporarily, of course.

[Chernov] Vladislav Grigoryevich, you were elected to the presidency by parliamentary deputies—a small group of people. Do you not consider it necessary to confirm your authority by means of a all-Abkhazia referendum?

[Ardzinba] Such a referendum is undoubtedly necessary.

[Chernov] What other question could be submitted to a referendum, apart from the issue of confidence in President Ardzinba?

[Ardzinba] This will be indicated by developments in our region. Right now we should all concentrate our attention on talks on normal treaty relations with Georgia. If this does not happen, a question which inhabitants of Abkhazia ask me every day will possibly be submitted to referendum: How will our relations with Russia be structured?

[Chernov] And how do you answer them?

[Ardzinba] I cannot understand on what principles Russia's policy regarding Abkhazia is based. Apart from the well-known formula "Abkhazia is part of Georgia." For example, I cannot understand why it is impossible for Russia and Abkhazia to sign a trade and economic agreement. At the moment there are no agreements whatsoever which would at least somehow regulate relations between Russian and Abkhazia, concerning, for example, customs duties, quotas, and mutual deliveries of products. There is no document regulating relations between the Central Bank of Russia and the Central Bank of Abkhazia, although only one currency is in circulation in our countries—the Russian ruble. The signing of a trade and economic agreement with Russia would in no way affect the process of a political settlement of the conflict with Georgia. Especially since we have proposed the signing of a temporary trade and economic agreement in the framework of which we might be able to finally resolve the question of the Russian-Abkhazian border.

Incidentally, remember what a fuss there was when we signed treaties on friendship and cooperation with Tartaria and Bashkiria. But no one inquired as to why we did this.

[Chernov] And why did you do so?

[Ardzinba] Because we have to survive somehow, we have to trade in what we have. Our existence is a reality. And there is no getting away from this fact, you will agree.

Murdered Democratic Party Leader Profiled

MM0612135194 Moscow IZVESTIYA in Russian 6 Dec 94 p 5

[Article by Teymuraz Mamaladze: "Terrorists Without Masks Fired at Pointblank Range"]

[FBIS Translated Text] Tbilisi—Last Saturday [3 December] Georgiy Chanturiya, chairman of the National Democratic Party of Georgia [NDPG], was murdered outside his home.

According to some sources, the terrorists—"young men in black"—fired from two points as Chanturiya and his wife Irina Sarishvili were getting into the car that was to take them to the final session of the NDPG congress. They operated openly, without masks, shooting the car's passengers from a distance of a few meters. Having riddled the Volga with bullets the attackers drove off unimpeded down a nearby street, where they were joined by two other automobiles, which are thought to have been carrying out surveillance and providing cover.

Georgiy Chanturiya was killed by the first shots, his wife and driver were wounded. Guard Merab Baramiya, who shielded the dead Chanturiya with his body, died. This act of terrorism, unparalleled in terms of its organization and terrifying audacity and perpetrated in the strained atmosphere of a freezing country, was clearly designed to trigger a social explosion. Scarcely had people in Tbilisi had time to heave a sigh of relief on learning of the resumption of Turkmen gas supplies to Georgia than the "hope factor"—an expression used by Chanturiya himself in an open letter to Eduard Shevardnadze published the day before in KAVKASIONI—was immediately shot down. "Destructive forces," Chanturiya wrote, "come into play every time that it proves possible to stabilize the situation even somewhat."

In his 34 years Georgiy Chanturiya managed to reconstruct underground one of the largest and most prestigious political parties, spend time in KGB detention centers, and—in Soviet times and under Gamsakhurdia—become a prominent, indisputable political leader and the target of several attempts on his life, one of them ultimately fatal. His party has one of the largest factions in the Georgian parliament, led by his energetic and strong-willed wife, whose criticism of the state of affairs is always notable for its "proper and constructive drive."

In the past Chanturiya was one of the first to challenge Zviadist policy and ideology; he demanded that members of the Military Council who ousted the ex-president quit the political arena and condemned Georgia's joining of the CIS. At one time a rabid opponent of Shevardnadze, he did however come to Moscow and press for his return to Georgia, but then kept his distance, preferring the position of an uncompromising critic.

In the open letter he laid the blame for the "stage-by-stage cession of Georgian independence" at the door of "official bandit groupings" and the "incapable, disorganized, and incompetent government," some members of which, he said, defend other states' interests. The conclusion being that a fifth column is at work in Georgia. Among those who, in Chanturiya's opinion, should leave the government were Igor Georgadze, chief of the intelligence service, and Defense Minister Vardiko Nadibaidze. He received written backing in this from a group of opposition parties which also demanded the dissolution of the Salvation Corps ("Mkhedrioni") and the removal of its leaders from authority structures. Opposition leaders urged the National Liberation Movement to consolidate in fighting the republic's incumbent leadership. In turn the "Archevnebi" ("Elections") bloc created by Dzhaba Ioseliani also harshly condemned the act of terrorism.

Indisputably, the dead man's personal qualities and vigorous activity added to the numbers of his enemies. Some people link his murder with a desire to remove a promising and prestigious figure, capable of seriously undermining the position of other powerful rivals for power. Others believe what happened to be an act of personal vengeance by leaders of criminal-political groupings, whom the dead man opposed. Others still link Chanturiya's murder with the idea of removing an awkward opponent, who, for all his disagreements with the Georgian head of state, was in one way or another linked to him in the fight against the local political mafia.

But, all the stories and circumstances notwithstanding, as Eduard Shevardnadze said during a conversation with your IZVESTIYA correspondent, "this is of course a political killing." In his statement on this matter he described the act of terrorism as the work of "the forces that want to turn Georgia into a land of murderers and gangsters, causing chaos and destabilization against the backdrop of an already tense socioeconomic situation." The Georgian leader once again called for tough and uncompromising talk with them.

I would add that to date since June 1992 there have been several acts of terrorism committed in Georgia against prominent statesmen and politicians as well as personnel of law-enforcement organs. With a small exception no crime has yet been cleared up. On Saturday and Sunday Tbilisi's streets were being patroled by reinforced police details. An investigation group is at work.

CSCE Mission Condemns Murder of MP

LD0612215794 Moscow ITAR-TASS in English 2022 GMT 6 Dec 94

[By ITAR-TASS correspondent Tengiz Pachkoria]

[FBIS Transcribed Text] Tbilisi December 6 TASS—There is no place for violence and terror in democratic process, says a statement of the CSCE mission in Georgia made in connection with a murder of chairman of the Georgian National-Democratic Party Georgiy Chanturia and wounding of his wife and parliament deputy Irina Sarishvili on December 3 in Tbilisi.

The document expressed indignation over the terrorist act committed against the Georgian politicians and support to all political forces safeguarding democracy and laws in Georgia.

The terrorist act committed by unidentified persons is backed by a force aiming to seize power in Georgia, believes Chairman of the Georgian Committee for Human Rights and Ethnic Relations Aleksandr Kavsadze. In his words, this force should be identified and rendered harmless.

Chanturia will be buried on December 10 in Tbilisi, reports the Georgian TV.

Killing Said 'Purely Political'

MM0612133594 Moscow KOMSOMOLSKAYA PRAVDA in Russian 6 Dec 94 p 1

[Report by Sergey Chernykh: "Oh Chanturiya, Slain By Bullets"]

[FBIS Translated Excerpt] At 1000 on 3 December Georgiy Chanturiya, leader of the National Democratic Party of Georgia, was hit by several bursts of automatic and semi-automatic fire outside his home. His wife Irina Sarishvili and two people accompanying them were seriously wounded. [passage omitted]

In an interview with KOMSOMOLSKAYA PRAVDA's correspondent, Guram Chakhvadze, member of the National Democratic Party of Georgia Board, said that what had happened was a "purely political killing." The official party version is that the slaying of Chanturiya was the work of local state security officers who, according to Chakhvadze, are acting on Moscow's orders. But political experts are included to believe that the party leaders have simply gone "overboard" [doshli "do samogo verkha"] in their investigations.

Schools Close Until March Due to Energy Crisis

LD0612171994 Tbilisi IPRINDA in Russian 1400 GMT 6 Dec 94

[FBIS Translated Text] Tbilisi (IPRINDA)—Due to energy problems and frost, the Georgian Ministry of Education has decided to suspend studies in the lower classes of secondary schools between 6 December and 1 March. Studies in the higher classes and vocational training schools will be suspended between 9 December and 1 March.

BULK RATE
U.S. POSTAGE
PAID
PERMIT NO. 352
MERRIFIELD, VA.

This is a U.S. Government publication. Its contents in no way represent the policies, views, or attitudes of the U.S. Government. Users of this publication may cite FBIS or JPRS provided they do so in a manner clearly identifying them as the secondary source.

Foreign Broadcast Information Service (FBIS) and Joint Publications Research Service (JPRS) publications contain political, military, economic, environmental, and sociological news, commentary, and other information, as well as scientific and technical data and reports. All information has been obtained from foreign radio and television broadcasts, news agency transmissions, newspapers, books, and periodicals. Items generally are processed from the first or best available sources. It should not be inferred that they have been disseminated only in the medium, in the language, or to the area indicated. Items from foreign language sources are translated; those from English-language sources are transcribed. Except for excluding certain diacritics, FBIS renders personal names and place-names in accordance with the romanization systems approved for U.S. Government publications by the U.S. Board of Geographic Names.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by FBIS/JPRS. Processing indicators such as [Text] or [Excerpts] in the first line of each item indicate how the information was processed from the original. Unfamiliar names rendered phonetically are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear from the original source but have been supplied as appropriate to the context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by the source. Passages in boldface or italics are as published.

SUBSCRIPTION/PROCUREMENT INFORMATION

The FBIS DAILY REPORT contains current news and information and is published Monday through Friday in eight volumes: China, East Europe, Central Eurasia, East Asia, Near East & South Asia, Sub-Saharan Africa, Latin America, and West Europe. Supplements to the DAILY REPORTs may also be available periodically and will be distributed to regular DAILY REPORT subscribers. JPRS publications, which include approximately 50 regional, worldwide, and topical reports, generally contain less time-sensitive information and are published periodically.

Current DAILY REPORTs and JPRS publications are listed in *Government Reports Announcements* issued semimonthly by the National Technical Information Service (NTIS), 5285 Port Royal Road, Springfield, Virginia 22161 and the *Monthly Catalog of U.S. Government Publications* issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

The public may subscribe to either hardcover or microfiche versions of the DAILY REPORTs and JPRS publications through NTIS at the above address or by calling (703) 487-4630. Subscription rates will be provided by NTIS upon request. Subscriptions are available outside the United States from NTIS or appointed foreign dealers. New subscribers should expect a 30-day delay in receipt of the first issue.

U.S. Government offices may obtain subscriptions to the DAILY REPORTs or JPRS publications (hardcover or microfiche) at no charge through their sponsoring organizations. For additional information or assistance, call FBIS, (202) 338-6735, or write to P.O. Box 2604, Washington, D.C. 20013. Department of Defense consumers are required to submit requests through appropriate command validation channels to DIA, RTS-2C, Washington, D.C. 20301. (Telephone: (202) 373-3771, Autovon: 243-3771.)

Back issues or single copies of the DAILY REPORTs and JPRS publications are not available. Both the DAILY REPORTs and the JPRS publications are on file for public reference at the Library of Congress and at many Federal Depository Libraries. Reference copies may also be seen at many public and university libraries throughout the United States.